HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

SECOND SESSION—THIRTY-FOURTH PARLIAMENT

38 Elizabeth II

VOLUME III, 1989

COMPRISING THE PERIOD FROM THE NINTH DAY OF JUNE, 1989
TO THE THIRD DAY OF OCTOBER, 1989

INDEX ISSUED IN A SEPARATE VOLUME

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

Available from Canada Communication Group — Publishing, Supply and Services Canada, Ottawa, Canada K1A 0S9.

HOUSE OF COMMONS

Friday, June 9, 1989

The House met at 10 a.m.

Prayers

POINT OF ORDER

ALLOCATION OF TIME DURING DEBATE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, if you would ask for unanimous consent, I think you would find that the House is favourably disposed to operate in a manner similar to the rules we followed yesterday. Each caucus makes its own decision as to whether or not it wants to use up their 20-minute time slot in one of the two following methods; first, that the Member could use the traditional 20 minutes, with a 10-minute question and answer period, or alternatively, as we did yesterday, the caucus in question could split up the time into a 10-minute speech, followed immediately by a five-minute question and answer period, followed immediately again by another Member of the same caucus with a 10-minute speech, and again followed with a five-minute question and answer period.

I think you will find, Mr. Speaker, that the House is favourably disposed to this kind of initiative. It is exactly the same as the procedure we utilized yesterday. If the House agrees, perhaps because of the time at which we will be starting, I could indicate right now that if such is the case, our first speaker will be starting with a 20-minute speech because it will be our lead-off speaker.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I appreciate the suggestion made in terms of today's proceedings. We certainly will co-operate but we have a problem, and that is concerning the normal rotation of speakers. We in the New Democratic Party will not benefit from this change because we likely will only have one speaker today. Our first speaker will also go for the 20-minute and 10-minute period.

One of the problems we have is that there is little benefit in terms of co-operating on a day like today. Perhaps, having flagged this problem, for future opposition days when we are making these suggestions, we could consider that. However, for today, in the spirit of co-operation and more important, a willingness to try some new approaches to debating in the House, we will certainly be co-operating.

Mr. Albert Cooper (Parliamentary Secretary to the Government House Leader): Mr. Speaker, I can confirm that the Government is prepared to co-operate in this as well. Our concern would be that we would like to have the Minister speak this morning before 11 o'clock. That would be our only concern. It does not affect the 20-minute, 10-minute, rule.

Mr. Deputy Speaker: I see there is a disposition of the House to proceed on that order.

Some Hon. Members: Agreed.

Mr. Deputy Speaker: Agreed and so ordered.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—RAIL PASSENGER SERVICE

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte) moves:

> That this House condemns the Government for its short-sighted and punitive policies that are designed to eliminate passenger rail services in Canada despite the essential nature of these services to the development of communities in all regions of the country.

• (1010)

He said: Mr. Speaker, as is always the case, of course, the Speaker occupies a position of great authority and, consequently, neutrality in the House, and just as a Speaker should, you read that motion clearly, concisely and dispassionately. Because you read it with the latter adjective attached to it I think it bears rereading since

you, Sir, in a very non-partisan way merely put the motion.

What the motion states is:

> That this House condemns the Government for its short-sighted and punitive policies that are designed to eliminate passenger rail services in Canada despite the essential nature of the services to the development of communities in all regions of the country.

We bring this motion to the attention of the House today because the Government of Canada has embarked upon a policy, a short-sighted policy, that not only will deny in the short term the people of Canada a rail passenger service, which in itself is important and devastating for the communities to be affected but, more fundamentally, it is denying Canadians as we move into the 1990s and the year 2000 the future.

Why do I say that? We have a Government which through an arbitrary decision contained in the federal Budget, made a decision to cut back substantially on the amount of money provided to VIA Rail to provide rail passenger service in Canada. The Minister of Transport (Mr. Bouchard) is a Minister—let no one be fooled—who is no fool. I want to vouch for the fact that the Minister of Transport is a reasonably intelligent individual. He is a reasonably political individual. He is someone who understands the consequences of his actions. He is not a mere puppet in the hands of the bureaucrats, completely without any sense or understanding of the consequences of his actions.

Yet we have the same Minister standing in his place in the House day after day, in committee, before the cameras and before the public saying: "We are not telling VIA Rail what to do. We are not telling it what service it should provide. We are not telling it what services it should cut. We are merely telling VIA it has no money. The rest is up to them". "I want to assure you", says this Minister with his most baleful, honest and sincere look, "the Government of Canada has not targeted parts of this country, such as Atlantic Canada. We have not abandoned the West. We have not shattered our commitments to those rural communities all across this land. We are merely telling VIA Rail that it has $500 million less than it used to have. The responsibility for how it lives within that new budget is its problem, not mine, not ours".

For a reasonably heretofore described intelligent, reasonably aware, reasonably engaging Minister of the Crown to make that kind of foolhardy proposition is an insult to the intelligence of Canadians. Let it be clearly said today that it is not some mindless, faceless group of bureaucrats in some long lost corporation occupying the top floor of some glass and steel ivory tower called VIA Rail that is making the decision to abandon rural Canada. It is the Government of Canada and, specifically, the Minister of Transport who is responsible for the actions that are being taken today. Let no one be fooled.

What exactly is involved in this decision by the Government? So it is on the record and so Canadians know what we are talking about, it is the elimination of some 22 routes. The routes west are Montreal–Sudbury, Toronto–Winnipeg–Calgary, Winnipeg–Edmonton, Victoria–Kootenay, in Quebec, Chaleurs–Gaspé, Quebec–Mont Joli, Montreal–Sherbrooke, North Shore and in Ontario, Kingston–Toronto, Toronto–Sarnia, Toronto–Niagara, Toronto–London, Toronto–Havelock, Toronto–North Bay, and Cochrane–Kapuskasing. The Atlantic routes are Halifax–Dartmouth, Halifax–Montreal, Halifax–Sydney, Halifax–Saint John, Moncton–Campbellton, Moncton–Edmundston and Moncton–Charlottetown. Then there is Calgary–Vancouver, Edmonton–Vancouver, the corridor between Toronto and Montreal, Quebec–Montreal–Hervey, western Winnipeg and Winnipeg–The Pas. Only six of the nine remaining remote routes were left untouched. Only one route was increased. Of 35 routes, potentially 22 are to be eliminated. Six are to be reduced. That is the consequence of the decision taken by the Minister of Finance (Mr. Wilson) in his Budget.

I began my remarks by saying that the Government of Canada is not just taking a decision that fundamentally alters one of the important modes of transportation in this country and abandons communities, in particular, in rural parts of Canada, but that the Government is also denying the future to Canadians. I said that because the Minister of Transport knows, as does the Minister of Finance, that VIA Rail under its former President, Denis deBelleval, a President who was fired, eliminated, vaporized, disposed of by the Minister of Transport, was putting together, along with his officials and with the

best advice he found in Canada, a corporate plan for VIA Rail.

It is one that did not envisage in the long term the continued pay-out of substantial subsidies to VIA Rail, subsidies in the amount that are now being paid out but a corporate plan that foresaw VIA Rail being a modern, efficient, competitive, productive and profitable rail passenger service for Canada.

Fundamental to that plan was examining, as has been developed in other countries, notably Japan and countries in Europe, a high-speed rail passenger service. Nobody who is serious about rail passenger traffic in Canada—and this is the argument of the Minister—would argue that the future of VIA Rail is its present or its past, a continuation of the kind and level and quality of service that we have today. Those who are serious about a rail passenger service in the country, including the former President who was fired, Mr. Denis deBelleval, looked into the future.

In fact they looked into the present in Japan and in Europe and saw that a rail passenger service could only be viable and survive if we looked seriously at the concept and the notion of high speed trains. Even in advance of receiving that corporate plan into which a great deal of work, thought and effort had gone, not to mention $4 million of taxpayers' money, the Minister of Finance, with the concurrence of the Minister of Transport on April 27 in his Budget, took an arbitrary decision not only to wipe out the existing rail passenger service but to eliminate even the possibility of Canada looking seriously and soberly at the future, looking at the possibility and the concept of high speed trains.

It must be said that where high speed trains have matured in their development and where they are in place today they are not only efficient, on time and moving vast numbers of people, they are profitable. They have either paid or are paying for themselves. In some cases they are actually being used to cross-subsidize more remote services because of the level of profit involved in the operation of high speed trains. That is the kind of future that Mr. deBelleval and those at VIA today envisage for rail passenger service in Canada. That is the kind of concept which says that Canada in 1989 as a modern and yet, yes, Mr. Speaker, wealthy western nation surely should seriously examine. That is the kind of future which this Government in a short-sighted desire to meet the bottom line objective of the Minister of Finance turned its back on. Nothing less than that was the consequence of the decision by the Minister of Transport.

• (1020)

I come from Newfoundland and in Newfoundland we have some experience with a Government that tells you, "We are not eliminating your service, my friend, we are merely making an adjustment. Actually what we are going to do is make your service better and more productive. Trust us. There is no plan back here on the shelf to eliminate your service entirely. We would never do such a dastardly thing."

I recall the words of the Member for St. John's West (Mr. Crosbie), the Minister of Transport's colleague in Cabinet, when he told Newfoundlanders, "Those who would suggest the abandonment of the rail service in Newfoundland are treacherous. They are traitors to Newfoundland and I will have none of it." Those words still echo in the far corners of this exalted Chamber if you listen carefully. You can listen as hard as you want but you cannot hear the sound of the train crossing the tracks of Newfoundland any more because that train is gone, abandoned. The rails are rusting.

We heard in Newfoundland exactly the same kind of pact, the same kind of deception, the same kind of phoney assurance, the same kind of "my hands are clean and I cannot do anything about it. We merely make the financial decisions, the rest is up to CN or VIA Rail." The same kind of nonsense we heard in Newfoundland we are hearing today about VIA Rail.

Mr. Mifflin: And no compensation.

Mr. Tobin: And no compensation. Canadians should know that when this Minister rises as he will in a few minutes, and he gives them once again those assurances that the matter is not really in our hands it is in VIA Rail's, perhaps through lease and adjustment, but the fundamentals of a service shall be there at least in Canada's best served cities and population areas. When he gives us those assurances, remember, I say to those who listen to his words, that these are the same assurances from the same Government that we have heard about train service in the Province of Newfoundland, a service that is now entirely gone.

These are the same assurances we have heard from the same Government during an election campaign about regional development being a sacred trust. If, Mr. Speaker, there is an election and you need a commitment to regional development you have got it. If there is an election and you need a commitment to no changes to the UIC, well you have got that too. If there is an election and you need a commitment to day care of $4 billion or $5 billion, my gosh, you have got that too. You ask the Prime Minister, "Can you afford all these?" "Every damn nickel has been accounted for", he says. Yes, Mr. Speaker, and as soon as that election is over a budget is brought in by "Mac the Knife" and every one of those commitments are shattered along with—

Some Hon. Members: Oh, oh!

Mr. Boudria: That is Mike the Knife.

Mr. Tobin: —dozens of others and so too was the so-called commitment to VIA Rail by the Government.

What is at stake in the decision of the Minister of Finance and defended by his Minister of Transport? Some Minister of Transport, Mr. Speaker. He ought to be tarred and feathered and run out of town on a rail, transported away from this place.

He has presided over the disintegration of Canada's national transportation systems in a nation that was built on transportation. John A. Macdonald, that great Conservative Prime Minister had a vision of Canada, a great land mass from sea to sea, stretching from Atlantic to Pacific, from the southern boundaries to the north. He said this country can only be knit together by developing transportation systems which allow our people to move freely across our borders, to develop a flow of traffic and people and commerce east and west and not north and south.

That man, John A. Macdonald, who had a dream over 123 years ago, finds that dream being shattered and turned into a nightmare by these cousins, these people who have followed in his footsteps but have abandoned the path that he chose for this nation by destroying our basic transportation systems.

Some Hon. Members: Shame.

Mr. Tobin: I say to the people of Canada that they ought not to be lulled by the phoney assurances of this Government. We have heard them in too many other areas. The people ought to understand that what is being proposed by this Government is the total elimination of our rail passenger service.

The President of Transport 2000, a non-partisan, does not align himself with any political ideology and does not associate with any particular political party. He has but one objective and that is the maintenance of decent transportation systems for Canada, in particular rail transportation. The president of Transport 2000 has said, "It makes sense to me that there will remain only the Quebec City-Toronto corridor". One train to the east and only a tourist train in the west. We can see it coming.

It used to be that being a Canadian citizen was not a guarantee of equality, was not a guarantee that no matter where we lived or how we pursued a livelihood, we would all be equal. No one ever expected that and no one ever demanded that. Being a Canadian citizen used to be a guarantee of equal opportunity and a guarantee that in some fundamental basic areas, while we could not all be equal, notwithstanding our circumstance, citizenship carried with it some services available to all of us in equal measure no matter where we lived.

One of the fundamentals is health care. Another is the opportunity for a good education. Another is the basic rights afforded all citizens under the Charter of Rights and Freedoms. Another one, because of the very nature of this country's sparse population and its tremendous land mass, is the ability and freedom to move and not be penalized because of where you live.

For many Canadians VIA Rail is a fundamental right not only in terms of freight services but for passenger service as well. For the Government of Canada today to make an arbitrary decision that rail passenger service must be productive, efficient and profitable, after the Government has abandoned it for so many years and has not given it the tools to be productive, efficient and profitable, is an abandonment of the regions. It is an extension of the philosophy which says that if you do not live in the Quebec City-Windsor corridor you are a second class Canadian, because this Government takes its cue from the market-place, and if the market-place does not determine that you should have a certain level of service as far as this Government concerns, you do not exist.

The decision to abandon VIA Rail is not merely a transportation decision, it is an extension of a philosophic view about Canada. It is an idea about Canada that heretofore was foreign to the people of this nation. It is a view that reduces the country to a mere collection of pieces on a monopoly board. It attaches a value to citizenship that assigns the least value to it depending upon how far away one lives from the centre.

We in the Liberal Party cannot accept that view, that vision of Canada. Nor can we in this Party, this forward-looking, progressive, reformist Party, accept that Canada, a country among the nations of the world, must turn its back on the future. We cannot deny the opportunity to examine the technology that exists today to make this a modern and efficient transportation nation. We cannot accept that Japan and western Europe can develop high speed trains, make them productive, paying and efficient, serve their people and that Canada somehow is a backward nation incapable of developing that kind of transportation system.

• (1030)

We cannot accept that, Mr. Speaker. That is why we condemn the Government today. That is why we invite Canadians everywhere to understand the full implications of this decision and to battle this Government. They should make their voices heard to ensure that VIA Rail continues as a viable entity serving Canadians no matter where they live and to ensure that Canada moves into the 21st century in rail passenger service and not turn its back on the future and operate like a dinosaur lost in the forest of decades gone. This Minister of Transport is a dinosaur. This Government has abandoned the regions. This Government stands condemned before the people of Canada for a short-sighted, narrow, and punitive decision.

Some Hon. Members: Hear, hear!

Mr. Hovdebo: Mr. Speaker, I appreciate the approach that the Member from Newfoundland took. Does he or his Party have a specific plan which they believe should be put into place for VIA in Canada?

Mr. Tobin: Mr. Speaker, I thank the Member for his question. I think it is well known to all Members who have been involved in the work of the Standing Committee on Transport, and indeed all Members who have a particular interest in transportation, that VIA Rail has worked very hard for the last number of years and has expended millions of dollars of funds to develop a plan for VIA Rail's future.

We know that the centre-piece of that plan is a determined examination of the whole concept of high speed trains. I think everybody in Canada, notwithstanding their political ideology, accepts that it is not an appropriate decision nor desire by anybody to see VIA Rail continue to operate at a loss of hundreds of millions of dollars per year. I do not believe the NDP supports that concept. The Liberal Party does not. The Government uses that notion as an excuse to destroy VIA Rail.

Those who are forward looking do not demand the *status quo*, that is the same low quality equipment, the same inappropriate service, and the very same routes being serviced in the very same way and manner forever. Nobody is looking for the *status quo* except the Minister. He tells us that it is the *status quo* or nothing. He makes the case that the *status quo* is not acceptable, the losses are not acceptable and therefore it is nothing.

He does not give the nation or VIA Rail an opportunity not to promote the *status quo* but to move beyond the *status quo* and into the present. We are actually operating a service that reflects the past. It reflects an ageing technology and ageing way of doing this rather than moving into the future.

The Member asked if I have a specific plan. Yes, Mr. Speaker, my plan and the plan of the liberal party, as well as that of all Members, should be to allow the people at Via Rail, who are in this business and who understand that the *status quo* was not acceptable to the Government and Canadians, to submit to the Minister as they are going to do in the next few weeks a plan that envisaged a role for VIA in the future and looked at the relevance of high speed trains. The plan should not be to throw money at it.

I happen to have a personal belief. I am willing to see VIA's concept challenged. If we in a country with technological ability and relative wealth are not prepared to invest in the future and to look very seriously at the concept of high speed trains, we may as well acknowledge today that we have no role and no ability to be in the rail passenger service and get out of it.

What the Minister of Transport has done is come to that conclusion before he has even seen VIA Rail's brief, before he has even examined the possibility. This Minister has allowed a Finance Minister and his particular wants and dictates at a particular point in time to shape the future in a fundamental way of rail passenger service in Canada. Surely nobody in this House can seriously believe that they can cut $500 million out of VIA Rail's operating budget and expect there is going to be a rail passenger service in Canada. There is not going to be, by any stretch of the imagination, a national rail passenger service. Nor, with those kind of cuts, is there any serious ability to examine a forward, future looking concept, that is, the notion of high speed trains.

Mr. Kilgour: Mr. Speaker, I have a question for the Member who just spoke. I understand that if the VIA Rail service through Edmonton is cut, we will lose a thousand jobs in our city alone.

The Member will perhaps know that at Progressive Conservative hearings in 1981 and 1982, we found that each year something like a quarter of a million Atlantic Canadians took the train that goes through Maine. I assume that many of those people were students, many had low incomes, and many were senior citizens.

What does the Hon. Member think it will do regionally to Atlantic Canada? I guess we cannot do anything more to Newfoundland since it does not have a train. What does he think it will do to the Maritime Provinces if the train called "The Atlantic" going through Maine is cut?

Mr. Tobin: Mr. Speaker, I thank the Member for his question. I was in Alberta last week and I happen to know that there is a great deal of concern in Edmonton about the possibility of Edmonton being dropped, with the loop that now runs into Edmonton being eliminated as part of the package of cuts about which I have just talked.

I can well understand that the Member is hearing the kinds of concerns Canadians are expressing across the country. In asking a specific question about Edmonton, noting Edmonton and then going on to reflect upon the cuts in Atlantic Canada—and given that the Hon. Member comes from the West and that we are of two different Parties; I do not want to be partisan about it—I think he reflects the feeling in this country in particular about the regions. "Region" is a dastardly word. It denotes "afterthought" when policies are made at the centre. This plan will see a run continue from Quebec City to Windsor, but not much else anywhere in the so-called regions.

I think the Member reflects the feeling in this country which goes far beyond merely a transportation issue. The basic contract that we made in something called Confederation was that while we could not all be equal, the concept of citizenship would carry with it basic services that we could all depend upon. It is the feeling in this country that the basic contract called Confederation is being broken.

Via Rail is very much for Canadians who live not just outside of Quebec and Ontario, but those who live outside Toronto, Montreal. It is also for those people in northern Quebec and Ontario, as well as the other eight provinces. They have a feeling that the Government is walking away not only in this area but in so many areas from the basic contract that we bind ourselves to when we stand with pride, put our hands by our sides, and sing *O Canada*.

What Canada is it when it functions, according to this Government, only by market-place principles and when it functions only between Quebec City and Windsor? Canada is much broader than that, much wider than that, and its heart beats in more places than that, and this Government does not understand.

Mr. Thacker: Mr. Speaker, I would be interested if my colleague opposite would tell me when the provision of rail service to every Canadian became the heart of being a Canadian citizen.

Where I come from, we lost the railway when the Liberals were in power. As I recall, when the railway was set up originally the Liberals opposed it. That was back when John A. Macdonald was setting it up. Indeed, he lost an election over it. The Grits came in and did nothing about building the railway, and when John A. Macdonald came back into power, he finished it.

When did it become a fundamental part of Canadian citizenship? What about all the Canadians who fought wars and have not had a railway in terms of passenger service even since the beginning?

• (1040)

Mr. Tobin: This is the fundamental problem with the thinking opposite. The Member wants to know when did it become a fundamental tenet that every single Canadian ought to have the main line running by his front door. There never was that tenet.

This is how the Government operates. It sets up a ridiculous argument, a nonsensical statement, and then shoots it down. No one is suggesting that every single Canadian ought to have the mail rail line running by his front door. What we are saying is that all of Canada's regions ought to be served, can be served, and should be served. If we are forward looking and believe in this country and our ability to repeat the success of high speed trains, we should at least look at the systems elsewhere in the world. There is no reason that all of Canada's regions cannot have a reasonable level of rail passenger service.

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I could reconsider everything that has been said by my friend, but I would need more than 20 minutes and that would not necessarily answer the issue before us today.

When the Hon. Member referred to Newfoundland, I know in the bottom of his heart that my friend is very happy with what we did. For example, there is $800 million in Newfoundland for roads. I suggest to my friend that he make the same proposal to his neighbours in P.E.I., Nova Scotia, and New Brunswick. He will see what type of reaction he will have.

The Hon. Member was referring to Europe and Japan. In terms of transportation, the worst we can do is compare Canada with a smaller country such as Japan with 100 million people. There is no comparison. Canada is a very large country with 26 million people. There is no profitable rail passenger service in the world.

Mr. Keyes: Amtrak is close.

Mr. Tobin: The TGV.

Mr. Bouchard (Roberval): It is not a network. The TGV in France is one of the components of the network.

Mr. Tobin: That component is profitable.

Mr. Bouchard (Roberval): The network is not working in terms of profits. One only needs to talk to people in France and West Germany.

Mr. Tobin: You are saying that the high speed train is not profitable? Stick to your facts. It is very profitable.

Mr. Bouchard (Roberval): I did not interrupt the Hon. Member. I was very quiet when he spoke.

Mr. Tobin: I will be as well.

[*Translation*]

Mr. Bouchard (Roberval): Mr. Speaker, I think it is good that my colleague presented this motion today because, basically, our discussions of transportation choices must be based on realities. I said many times that I am not fundamentally or viscerally opposed to the rail passenger transportation system. We belong to the same country, we have lived in the same country for 120 years, and I think it is essential to understand that rail passenger service met some needs, particularly in the 19th century, and even until the 1950s or 1960s, essential needs that successive governments of whatever party respected. Nevertheless, people try to forget, or get away from, the reality of the situation the country is in now.

But sooner or later, this reality catches up with us. I refer, of course, Mr. Speaker, to Canada's financial situation. VIA Rail received $641 million (in subsidies) last year: that is $100 for every passenger who took the train. Every time someone boards a train for $20 or $25, it costs the government $100. This transportation system is changing considerably today. Air and road transportation in particular account for 85 per cent of all inter-city travel. Marine transportation, in provinces where this is justified, is developing and subsidies are also growing at the same time, especially for rail transport, again.

Mr. Speaker, this trend with VIA Rail—I shall speak of VIA Rail although it did not exist until 12 years ago, but today it is VIA Rail—began in the 1950s and '60s, when the use of rail passenger services started a two-third decline after reaching a peak just after the war, when highway transportation was much less developed and obviously air transportation was not as big as it is today.

In 1961—not many people know and I think the information would be useful to Hon. Members opposite—a commission of inquiry recommended exactly what we intend to do today, in other words, rationalization of rail passenger service. It was not done at the time, for political reasons. However, it is clear that if that was the situation was like that in 1961, and now, twenty-eight

years later, we have the kind of situation we have today, the Government had to act.

Since 1977, $5.4 billion have been spent. Of this amount, more than $1 billion—and this without improving equipment for the last ten years—more than $1 billion or almost $1.5 billion has gone to capital investment in an attempt to improve the quality of VIA's services.

[*English*]

We have to face the reality today. We could forget the Budget. We could say that there is no problem. It is funny that members of the Liberal Party and the NDP never talk about where they are going to get the money. They spend money, and there is no problem there. They could find a lot of expenditures. However, when the time comes to state from where they will get the money, they are silent. We do not hear anything. We do not know from where they will get will get the money. Everybody knows that members of the NDP have all that money. We have known that for many years. Members of the Liberal Party used to be a little more reasonable, but they are becoming no more reasonable than the NDP.

At the present time the debt represents approximately $34,000 for every household in the country. Twenty years ago the debt cost was 12 cents for every tax dollar. Today it is 35 cents. That is three times what it was approximately 15 years ago.

Everyone must play a part in controlling the debt. Those who need help the most must be protected from the ravages that uncontrolled debt would cause to those who can least defend themselves. We must control the debt to protect our legacy for our children. We believe that it has to be done within all Departments of the Government, particularly where the money that we spend does not represent the purposes for which we have expended that money.

There has been much discussion in recent weeks concerning the level of subsidies that the Government has announced in the Budget. In particular, comparisons have been made with other modes of public transportation in Canada—buses, airplanes, and so on. I would like to address in the House of Commons today the question of cuts.

[*Translation*]

Mr. Speaker, it would be helpful to review some facts on VIA's performance in 1988. I think that in the public interest and in the interests of Canadians and of this House, we ought to know exactly how VIA Rail is used and why we are facing so many problems.

For the system as a whole, the operating subsidy is over $500 million. Total subsidy payments, which include funding support for capital investments have risen to $641 million. I said earlier that it costs the Government $100 every time a passenger takes the train. For the most heavily travelled segment, which is commonly referred to, as my colleague said, as the Québec–Windsor corridor, the operating subsidy is $178 million for an average of $40 per passenger.

Mr. Speaker, further afield, transcontinental services cost $198 per passenger, and services to remote areas cost $212. Every time someone takes a train in a remote area, it cost $212 per ticket.

It is interesting to note that cost recovery levels vary. The cost recovery level, Mr. Speaker, indicates our ability, when we spend $1, to recover that $1 from the fares paid by passengers.

In some regions, Mr. Speaker, that level is 13 per cent. For every dollar spent by the Government, the passenger spends 13 cents.

We can run a company like that. We can keep convincing ourselves that the need for service means that we should not consider cost increases. However, we must face the facts. Today, it is $641 million. Tomorrow, it will be $800 million. It is estimated that by the year 2000, it will cost us between $6 to $8 billion, without any expansion, just for normal operating and capital expenditures.

Mr. Speaker, Canada can no longer afford this kind of situation. With its expanding transportation network, Canada can no longer justify spending this kind of money.

Mr. Speaker, VIA Rail's results, it must be acknowledged today, are a disaster. Last week, I was accused of refusing to consider ridership rates. We do consider these rates. The ridership rate, Mr. Speaker, has increased by 13 per cent, which means that revenue has increased by about $26 million. The problem is, that expenditures have gone up 15 per cent or $94 million.

I challenge anyone to manage a business that earns $26 million and spends $94 million and to operate that business for more than one or two years. In the case of a publicly-owned enterprise, it doesn't matter. Operating a company or business when it is publicly-owned is not a problem. We can spend as much as we want without worrying about the deficit; it's not important because it's public money.

Mr. Speaker, today Canada must face financial reality because we were not in power when it was time for action. It is because the Liberal Party has, over 20 years, accumulated a debt exceeding $550 billion that Canadians must pay for it today. They did not take a position of conscience and assume their management responsibilities when it was time to do so.

Since 1984, Mr. Speaker, this Government has spent over $2.6 billion. We are accused of being dinosaurs, of not investing money. Yet, we have spent $2.6 billion since 1984, including over $1 billion in capital expenditures. We are told we have not improved equipment. Yes, Mr. Speaker, we have improved equipment within our capabilities and our financial means without falling into the same trap as our predecessors and spending left and right without rhyme or reason. Back in 1976, when the present Opposition Leader (Mr. Turner) was Minister of Finance, the Government expenditure growth rate was around 29 per cent while it is between 3 and 4 per cent today. Well, we are now paying the bills they ran 10 or 12 years ago.

Mr. Speaker, rail transport is being compared to other modes of transport. As I said, it accounts for 3 per cent of total. Air transport, which is booming—we only have to look at large airports among others—accounts for 7 per cent of total. Car travel accounts for 84 per cent. Mr. Speaker, we would agree if the Government were to drop all assistance to road construction or if the provinces were to decide to freeze their budgets and concentrate on railroad transportation. However we simply cannot fly in the face of the fact that 84 per cent of Canadians going from one municipality to the next would rather take to the roads. And expansion in the trucking sector these days has to be one of the major components of a leading industry also operating from coast to coast, as much in the Maritimes and in Newfoundland as in western or central Canada. And what is more, Mr. Speaker, twice as many people would rather travel by bus than take VIA Rail.

The figures speak for themselves, Mr. Speaker: Canadians very much prefer means of transportation other than the train, and they have proven that.

Mr. Speaker, this is why we are subsidizing to the tune of $641 million, and this is why people do not travel by train. We live in a country where people are free to decide how they travel from here to there. We have invested $5.4 billion over the past 11 or 12 years, yet the rate of utilization has declined by 20 per cent during the last nine years. It is a pattern. After World War II, ever since the early 1960's, the utilization rate of trains has been falling. Our friends opposite led this country for 20 years. When they became aware of it, they invested heavily. What was the result? An utilization rate 20 per cent lower and again enormous subsidies.

As political men and women, Mr. Speaker, we have decided to be reasonable and to tell Canadians: This is what we can afford; on the basis of available resources, these are the services we can provide you with. That is the reason why we notified VIA Rail that we would reduce its subsidies by $500 million within the next five years.

Mr. Speaker, we do not favour cars over trains. We do not feel that travelling by train is outdated. But for over 20 years now, Canadians have consistently demonstrated a lack of interest for rail transportation. As I said to my Hon. friend on several occasions, everybody wants to keep the train but nobody wants to use it. I do not know just how many times my colleagues across the floor took the train this past year.

• (1050)

[*English*]

How many times did they take the train in the last year? I am not sure whether a lot of people on the other side took the train the last year, but they want to keep it. Of course we want to keep the train, but we do not have the money, however. The Liberal Party does not care from where we get the money; it does not seem to matter. They have been spending money for 20 years. The country must face the reality of a $320 billion debt and a $58 billion deficit as was forecast by Mr. Lalonde for 1990-1991. The problem is that it does not matter to the Liberals because they do not care about money.

[*Translation*]

Mr. Speaker, the Government is asking VIA Rail, contrary to what my friend from Newfoundland has stated—

[*English*]

He knows very well that no decision has been made. He enumerated that a lot of routes will be abandoned. I am happy to know about that, because personally I have not received any document. VIA Rail is doing its homework, and that is good.

Mr. Tobin: Is it all VIA Rail's fault?

Mr. Bouchard (Roberval): It will have a few proposals for the Government, with recommendations. By the way, we will have the proper plan at the same time, the one by Mr. deBelleval to which the Hon. Member is referring. Mr. deBelleval is not there because he did not share the view we had. He resigned. He decided it was better to let the Government do what it had to do. My friend knows very well what I mean.

I would like to conclude by indicating that the transportation network will have to be expanded in Canada. There is no doubt about it. The Department of Transport has a budget of $3.1 billion. I believe that Canada is a country where money is well expended in terms of transportation, but we have to put forward some corrections. That is what we will do. We want to live within the reasonableness of what we are able to pay. My friend knows very well that Newfoundland is happy today because it will have $800 million—

Mr. Tobin: The Government of Newfoundland wants to renegotiate the deal.

Mr. Bouchard (Roberval): —for roads for the next 20 years. Newfoundlanders are happy because—

Mr. Tobin: You had better come and visit Newfoundland, my friend.

Mr. Bouchard (Roberval): —they know very well that to put money into a transportation mode which is not used any more, a mode which is not what Canadians want, would not be wise or good for the future of Canada.

Mr. Deputy Speaker: It being eleven o'clock, the House will now proceed to statements pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. 0. 31

[*English*]

FISHERIES

ATLANTIC CANADA GROUNDFISHERY

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, I want to draw the attention of the House to the Government's latest bungling of fisheries management in Atlantic Canada. For almost two weeks the under 45-foot fleet of groundfishermen in Prince Edward Island were subjected to an unheard of 2,000 pound daily trip limit. How ridiculous. With a catch of 2,000 pounds fishermen were not even covering costs let alone making any money. At the beginning of May there was a glut of landings in the eastern Gulf. The quota was reduced to 12,000 pounds. Although the glut was cleared, the quota was reduced further to 2,000 pounds. Where was the logic in this drastic measure? The fish were more than plentiful, but the fishermen were not allowed to catch them.

• (1100)

Yes, the quota has been partially restored. But what about the major losses the fishermen incurred during the near two-week period? Can the Minister explain to the House and to Prince Edward Island fishermen—

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

* * *

CANADIAN ARMED FORCES

FIRST WOMEN FIGHTER PILOTS

Mr. Albert Cooper (Peace River): Mr. Speaker, the Canadian Armed Forces has its first women fighter pilots. Captains Deanna Brasseur and Jane Foster have successfully completed a seven-month basic fighter pilots' course at Canadian Forces Base Cold Lake.

The intense training course involved academics, air combat, manoeuvring tactics and weapons deployment.

Following the graduation ceremony on Saturday, June 10, Captain Brasseur will join a NATO squadron and Captain Foster will join a NORAD squadron, both in Cold Lake.

I am told these two women will be the only women pilots in the world in an operational fighter squadron.

The pilots of this House of Commons wish them well, with just a bit of envy, because there is only one seat we would like to sit in as much as our parliamentary seat, and that is a seat in a CF-18.

* * *

THE BUDGET

COMMENTS OF ATLANTIC PREMIERS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, when protests cut across party lines, we know that something serious is wrong. So it is very significant that all four Atlantic Premiers, Conservative and Liberal, have formed a common front to attack how the Budget is hitting Atlantic Canada.

Yesterday we learned about the latest blow to Atlantic Canada. The Western Diversification Office will be able to keep helping large firms in that part of the country, while the Atlantic Canada Opportunities Agency has had to put strict regulations on any help to big companies in Atlantic Canada. This means footloose firms will be bribed to go west rather than to the poorer Atlantic provinces, hardly what fair regional development should be about.

The Atlantic Premiers have requested a meeting with the Prime Minister (Mr. Mulroney). We believe this should take place urgently.

* * *

AVIATION

HOT AIR BALLOONS

Mr. Ross Stevenson (Durham): Mr. Speaker, the headlines say: "Balloons stampede herd".

Hot air balloons are much more frightening to livestock than engine powered aircraft or vehicles, which can be seen and heard approaching and leaving the vicinity. When the burner ignites on the balloon to give more altitude, it frequently fires with a loud bang, like a gun. As in western movies when the rustlers fired their guns overhead, herds frequently stampede.

This past week, 17 balloons passed over several livestock farms in central Ontario. One balloon, bearing the Kodak logo, had its burner started directly over a herd. In just one of the frightened herds, 107 calves less than six weeks old, 160 cows, some close to giving birth, all stampeded. By some miracle, none of the young calves were trampled.

Last year a similar balloon caused a stampede on a nearby farm, and a very pregnant cow had to be destroyed. The unborn calf was saved by Caesarean section.

I urge the Government to properly regulate hot air balloons, balloonists to start policing themselves, and pilots to be more considerate of livestock and property.

* * *

IMMIGRATION

CHINESE STUDENTS IN CANADA

Hon. Bob Kaplan (York Centre): Mr. Speaker, there are some 4,500 students from China in Canada at this moment and we recognize that this is a particularly tragic time for them. There are 110 studying at York University, located in my riding of York Centre.

They have sent to me letters and petitions with hundreds of signatures. I have brought them to the House, and I hope Members will want to examine them, urging the strongest condemnation of their Government.

I want to talk about the situation of these students. The Government of Canada has agreed to suspend for at least a two-month period removals to China under the Immigration Act. But there is more that can be done to help these students from China in this time of crisis.

An indefinite extension of student visas would help ameliorate the current state of uncertainty and anxiety which they feel. Similarly, there are financial problems created for these students because financial support for them which has been coming from China may not be forthcoming or continue.

I urge the Government of Canada to make representations to the provinces of our country in order to obtain foreign student fee exemptions or deferments for these students. Finally, the question of political asylum must be considered by the Government and would be appropriate given—

Mr. Deputy Speaker: I regret to interrupt the Hon. Member.

S. O. 31

CANADIAN ARMED FORCES

REDUCTIONS AT CFB PENHOLD

Mr. Doug Fee (Red Deer): Mr. Speaker, Penhold is a small town of about 1,500 people located about 20 kilometres south of Red Deer. Last weekend I had the opportunity to meet with provincial and civic leaders from Penhold, Innisfail, and Red Deer to discuss the formation of a committee to look into ways to offset the impact of the reductions at Canadian Forces Base Penhold.

This committee met again on Wednesday of this week. Calling themselves the Penhold Economic Revitalization Committee, they are going to investigate the full impact of the reductions, discuss alternatives, and develop a plan for the future, using the resources of the Community Futures Program. I salute the constructive spirit shown by these community leaders. They are not shouting and wildly protesting, nor are they sitting back hoping for a miracle cure. They are translating their concerns into concrete, positive action. Their sights are set on the future of their community. I give them my full support. Their dedication bodes well for the future of Penhold.

* * *

STATUS OF WOMEN

REAL WOMEN—ALLEGED MISUSE OF PUBLIC FUNDS

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, in committee yesterday, when I questioned the Minister responsible for the status of women, she said that REAL women, according to anecdotal evidence she had, had misused public funds.

This was in relation to an REAL conference funded by the Government in which the credibility of every female Supreme Court Justice was apparently attacked, simply because they were women; and serious misinformation about child care, about women in the military, and about lesbians and gay men was disseminated.

Since that conference, I have received copies of letters from the Secretary of State (Mr. Weiner) justifying the funding of the conference, stating that the funding was in every way consistent with the Government's equality criteria.

The Secretary of State refuses to acknowledge that working for equality does not mean telling people that children in child care will become partial psychopaths.

I hope he will at least listen to his own status of women Minister—

Mr. Deputy Speaker: I regret to interrupt the Hon. Member.

* * *

[*Translation*]

THE ECONOMY

DEVELOPMENT OF AID PROGRAM FOR LOCAL COMMUNITIES

Mr. Guy St-Julien (Abitibi): Mr. Speaker, the federal program to assist local community development provides major support for the Abitibi economy.

The Senneterre business assistance centre, which covers Barraute, Lebel-sur-Quévillon, Malartic and Senneterre, has just presented its fourth annual report.

Since its first year, the centre has invested $1,700,000, generating $8,200,000 of investment and $25,500,000 of business and creating 90 jobs and maintaining 143, for a grand total of 233 jobs.

The 1989-90 plan shows no slowdown because 123 jobs are to be created during this period with a subsidy of $879,000, generating total investments of $3,900,000.

Mr. Speaker, that is the excellent work done by general manager Jean G. Gobeil and his staff under chairman Louis Marie Dubreuil and members of the board of directors.

* * *

[*English*]

FISHERIES

ALLEGED HARASSMENT BY FRENCH TRAWLER

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I was informed that earlier this week, off Fogo Island, Newfoundland, a French factory trawler harassed several Newfoundland inshore fishermen in their much smaller fishing boats. This vessel, registered in St. Malo, France, came dangerously close to these

fishermen and, in at least two cases, destroyed their fishing gear.

Seeing such foreign fishermen as these on the prime inshore fishing grounds is a thorn in the side of Newfoundlanders. The sophistication of these vessels, their size and capability, gives them an unfair advantage.

As if this were not enough, they add insult to injury by disregarding Canadian law and the rights and privileges of Canadian citizens in our own territorial waters. Newfoundland fishermen do not need foreign harassment to add to their litany of existing problems, and they certainly cannot afford to have expensive fishing gear destroyed.

I ask that the Minister of Fisheries and Oceans (Mr. Siddon), in conjunction with the Secretary of State for External Affairs (Mr. Clark), ensure that this incident is thoroughly investigated, that decisive action is taken, and that the fishermen involved are fully compensated in a timely manner.

* * *

HEALTH CARE

RESEARCH PROGRAM INTO OSTEOPOROSIS

Mr. Brian White (Dauphin—Swan River): Mr. Speaker, osteoporosis is a bone condition that afflicts 800,000 Canadian women. A new recent program in Canada, involving a minimum of $10 million has been announced by Glaxo Canada and Allelix Biopharmaceuticals.
• (1110)

It is GLAXO Canada's first venture into discovery research in Canada while Allelix is one of Canada's major players in biotechnology.

I quote Mr. Jacques Lapointe, GLAXO president: "Bill C-22 was the major motivator in our decision to become involved in discovery research. Had it not been for patent protection, GLAXO would not have considered such research activities in Canada."

However, new Canadian research is not the only benefit of Bill C-22. With the new Prices Review Board, the prices of all drugs will now be monitored, not just the 7 per cent of drugs that are profitable enough to attract generic copies.

StatsCanada has shown that the wholesale prices of pharmaceuticals rose by only 3.8 per cent from January, 1988 to January, 1989, compared to a CPI of 4.3 per cent. Bill C-22 is working.

* * *

THE BUDGET

IMPACT ON ENVIRONMENTAL CONCERNS

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, in January, 1989, the Minister of the Environment (Mr. Bouchard) promised that "where environmental considerations will conflict with economic ones, the environment will prevail."

In March, 1989, this same Minister assured Canadians of his Government's commitment to the environment, stating "I'm having intensive discussions with the Finance Minister and I have been assured that environmental concerns will hold a major part of his next Budget."

Yet, yesterday, in this House, the Environment Minister was forced to acknowledge the hollow nature of these commitments when he admitted that "the position of the Government is that environmental review process does not create any legal obligation for the Government to submit to a prior assessment of budget decisions", and "the Budget is at the heart of the Government's actions. . .It does not have to preceded by an environmental assessment."

In fancy speeches and on international delegations, the Government says one thing. When it comes to the crunch, they turn around and say the opposite. Canadians care about the environment. They are tired of the Government's rhetoric and want real action on the environment. It is long past time for the Government to take its environmental commitments seriously and to put some substance behind its endorsement of the Brundtland Commission report and sustainable development.

* * *

[*Translation*]

THE ENVIRONMENT

ROLE OF GOVERNMENT

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the week just ending was very important for all Canadians. As you know, it was National Environment Week. Mr. Speaker, the

environment is a priority for this Government, as the Minister of the Environment (Mr. Bouchard) showed again yesterday in Montreal when he signed a most significant agreement with his Québec counterpart to clean up the St. Lawrence River.

Mr. Speaker, allow me to quote the Minister's words, which indeed reflect the Conservative Government's policy: In the past, companies profited by polluting the environment and only the shareholders shared these profits. The time has come for these companies to contribute to environmental protection. The people do not want speeches or public relations operations. They want concrete action and that is what the Conservative Government will do, Mr. Speaker.

Some Hon. Members: Hear, hear.

* * *

[*English*]

AGRICULTURE

INCOME OF DAIRY FARMERS

Mr. Maurice Foster (Algoma): Mr. Speaker, last weekend I met with the Algoma dairy farmers concerning the threat to the future of supply management and marketing board systems for Canadian dairy industry as a result of the Government's action. The Government agreed in April of 1989 to freeze the income of Canadian dairy farmers until 1991 at the General Agreement on Tariffs and Trade, even for domestically consumed dairy products.

At the same time, the European Economic Community farmers have made an arrangement for their dairy producer returns to go up. The United Kingdom farmers have increased the price of their milk and dairy products by 3 per cent, and reduced the producer levies by 25 per cent. The net result is that the income of Canadian dairy producers can go down for the next 20 months but cannot go up, regardless of input costs.

I call on the Government to keep its election promise to maintain the supply management and marketing board systems that we have in Canada for dairy products and other farm products.

NUCLEAR ARMAMENTS

DETONATION OF DUMMY WARHEAD OFF VANCOUVER ISLAND

Mr. Lee Richardson (Calgary Southeast): Mr. Speaker, in Question Period yesterday I was greatly alarmed at what appeared to be reports of a nuclear warhead having detonated in the waters between the Queen Charlotte Islands and Vancouver Island. I asked myself, can this be true? Of course it was not. Instead, it was just another attempt at fearmongering by a Member of the New Democratic Party.

For the record, the cause of the explosion to which the Hon. Member referred was not a nuclear warhead but a dummy warhead which caused no contamination.

Furthermore the incident to which she referred happened 39 years ago. It was made public eight years ago.

We are all concerned and indeed frightened about the prospects of nuclear explosions in Canada or elsewhere. We are all concerned about the presence of nuclear waste in our oceans. However, throwing out red herrings, as the Hon. Member did yesterday, serves no useful purpose. The issues before us demand we remain calm, remain cool and remain rational. Generating fear may get attention but it does not get respect.

* * *

THE FAMILY

MISSING CHILDREN'S NETWORK

Mrs. Shirley Maheu (Saint-Laurent): Mr. Speaker, I would like to see us cut across Party lines again. There are hundreds of missing children in Canada today. There is an equivalent number of parents that must suffer the horror of not knowing where their children are or in what situation they are living.

Groups such as the Missing Children's Network provide an invaluable service in their struggle to reunite children with their families.

[*Translation*]

Unfortunately, Mr. Speaker, the Missing Children's Network will have to close in November if the Government refuses to give it financial assistance. These funds

are essential for the survival of this indispensable organization.

I ask the Government to open up the purse strings and give the necessary money so that the Missing Children's Network can continue its fight against the problem of missing children in Canada.

ORAL QUESTION PERIOD

[*Translation*]

THE ECONOMY

THE NEW SALES TAX—MINISTER'S POSITION

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is directed to the Minister of Finance.

The Conference Board of Canada has stated in a study that the new sales tax will reduce the disposable income of Canadians by $5.5 billion; will cause the loss of 72,000 jobs; will increase inflation to 7.3 per cent; will increase taxes to an incredible extent and consequently will have a very negative impact on the Canadian economy as a whole.

I want to ask the Minister how he can possibly introduce this new tax at a time when the threat of a recession is greater than it ever has been in the last seven years.

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I want to remind the Hon. Member that there was a unanimous report of the Finance Committee of this House, just a shade over a year ago, which supported the removal of the existing sales tax and the replacement by the Government with the new sales tax comparable to what we are proposing in the goods and services tax.

The Hon. Member referred to a Conference Board report. We have some differences with the analysis of the Board's report. We do not believe that it gives sufficient regard to the very positive impact on investment. This new tax is equivalent to a 4 per cent investment tax credit. We do not believe that it gives sufficient regard to the benefits that this tax will have on the service industry by removing the tax on business inputs. The combination of those factors is going to improve the efficiency of the Canadian economy.

Our conclusions are that there will be an improvement in jobs in year one. There will be an improvement in economic output in year one. The benefits are quite clear in the introduction of this tax. This is the replacement of a tax which everybody in Canada says is a very major drag on our economy.

PROPOSED GOODS AND SERVICES TAX

Mr. Paul Martin (LaSalle–Émard): Mr. Speaker, let us have no red herrings. First, the report which the Minister refers to was not on his proposal.

Second, for God's sake, Mr. Speaker, let us not compare the credibility as a result of the events of the last month of this Government and this Minister with the Conference Board of Canada.

During the election campaign, the Minister stated in a speech in which he called his opponents liars that, and I quote: "Canadians will not pay a penny of additional tax as a result of the sales tax proposal".

The Minister states: "Not one penny". The Conference Board says $2.7 billion of additional tax a year.

The Minister said on at least 100 occasions that the tax will be revenue neutral. I quote from the Conference Board which states that: "The 9 per cent tax is not revenue neutral".

How does this Minister justify breaking another campaign commitment by the Conservative Party? How does the Minister justify breaking his word?

• (1120)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, before the Hon. Member gets so excited about this I would suggest that he wait until we see the technical paper that will be coming out at the end of June this year.

I am going to say something which is critical of the Conference Board report. It does not have all the information. Nor does the Hon. Member have all the information.

We have indicated in the brochure entitled *The Goods and Services Tax* that there are going to be some offsets for housing. There will be some offsets for the small business sector.

The Conference Board does not have the information.

There is other information that the Conference Board does not have that supports the position that we have taken all along in this case. This information will become available and the Hon. Member will see it at the end of June or thereabouts when we provide this information for him.

GOVERNMENT POSITION

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, the Minister reproaches me for getting excited. I am excited because I am worried about $5.5 billion that is being taken out of the hands of Canadians.

Some Hon. Members: Hear, hear!

Mr. Martin (LaSalle—Émard): I am excited because I am worried about the poorer regions of this country, as perhaps the Minister ought to be.

At a time when the Government is withdrawing from regional development and is withdrawing from unemployment insurance, how can the Minister justify imposing a tax which discriminates against Atlantic Canada, northern Ontario, western Canada and the Province of Quebec? How does this Minister justify in the name of Heaven imposing a tax which the Conference Board states: "will take the most money out of the hands of poorest Canadians"? That is why I am excited.

Some Hon. Members: Hear hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I stated in my first answer where we have differences with the Conference Board report. I stand by those statements. I think that they are valid. They will be elaborated upon in the analysis of the Department of Finance which will be made available in the latter part of this month.

I also refer the Hon. Member to page 18 of the brochure entitled *The Goods and Services Tax*. There is a bar chart there which shows that every province, every region of the country is favourably impacted by the imposition of this new sales tax and the replacement of the existing sales tax which is widely regarded as being a drag on the economy.

Ms. Copps: You are a drag on the economy.

Mr. Wilson (Etobicoke Centre): The Hon. Member has just said that this tax is going to impose a heavier burden on those who are least able to bear that burden. I remind the Hon. Member that there is going to be a generous refundable sales tax credit. Our goal, as set out in the brochure, is that families earning less than $30,000 will be better off as a result of the reform of the sales tax system.

* * *

OFFSHORE RESOURCES

HIBERNIA—INDUSTRIAL BENEFITS

Hon. William Rompkey (Labrador): Mr. Speaker, my question is to the Minister of Energy, Mines and Resources. A quote in *The Globe and Mail* this morning states that the modules for the Hibernia construction platform could be constructed outside Canada, "although that would reduce the project's industrial benefits for Newfoundland and other provinces."

The only thing we were getting from the Government was industrial benefits—three million person hours of industrial benefits. We gave up the retail sales tax. We will not receive a cent in retail sales tax. Our royalties start off at 1 per cent. The only thing that we were guaranteed was industrial benefits. Now the Minister is saying that he is considering allowing Mobil to go back on that commitment.

Is this not just the latest Tory broken promise to the people of Newfoundland? How can the Minister, a Minister with integrity, associate himself with a Government that continually breaks its commitments to people who have the highest unemployment rate anywhere in the country?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I respect the Hon. Member. I say to him, as I said to the people of Newfoundland yesterday, I discussed the Hibernia deal with them very fairly. I obviously cannot go through all of the principal issues involved in Question Period. However, let me give the Hon. Member some of the salient points.

First, the federal Government sticks by its commitment on Hibernia. That includes our financial commitment.

Mr. Nault: For how long?

Mr. Epp: There is no time limit. Perhaps the Liberals have one, we do not.

Mr. Simmons: You did before. What happened to March 31?

Mr. Epp: I think that this is serious enough to deal with the Hon. Member in the manner in which I have done in the past.

Second, I said to the people of Newfoundland that if one looks at the statement of principles I would try to maximize the industrial benefits for Newfoundland, but also that we have to make sure that we have a project which is as economically viable as possible.

Last—and I am not trying to violate the time of the House—when I met with the new Minister of the Government of Newfoundland yesterday, I said that the federal Government stuck by its commitments. We would co-operate in whatever way possible. We also said that what we are attempting to do is to bring Hibernia on stream as quickly and as early as possible. Any interpretation to the contrary is not in keeping with what I discussed.

The article that appeared in *The Globe and Mail* today is accurate as to what I said and how it should have been interpreted.

GOVERNMENT POSITION

Hon. William Rompkey (Labrador): Mr. Speaker, the Minister said that the Government has no time limit. That is not accurate. The time limit was last March. The time limit has expired. We have a time limit. The Government had one and did not keep it.

Because he says that it is a serious problem, and it is, I wish to quote to him the words of the Prime Minister who said in St. John's on July 19, 1988: "This has been the dream of the people of Newfoundland and Labrador for decades. Today, the dream has been realized."

This is a province that has the highest unemployment rate in the country. What we want are jobs, not hand-outs from the Government of Canada. It is dismantling the unemployment insurance system. We do not want unemployment insurance, we want jobs. I want a commitment from the Minister today. If the Minister will not stand up and fight for jobs in the fishing industry, will he fight for jobs in the oil industry?

Some Hon. Members: Hear, hear!

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, that is exactly what I said in Newfoundland yesterday. That is what I am saying in the House today.

I said yesterday that the time for rhetoric is over, let us make sure that the deal works. The deal has three components to it. The Government of Newfoundland and the Government of Canada, in my mind, are totally in agreement in terms of maximizing industrial benefits. The consortia wants the deal to go forward. Obviously, there is one question relating to the topside. With respect to the gravity base structure, as the Hon. Member knows, there have been some tenders let on the GBS and on other parts of Hibernia.

What I am saying to the Hon. Member and to the people of Newfoundland is that we have to find an agreement about industrial benefits, getting Hibernia moving forward and having the best technology we can have. If we do not do that we will have a situation in which there might not be other development as quickly because of the cost factor.

My only concern is to move Hibernia forward, to do it as cost effectively as possible and to maximize the benefits for Newfoundland. I do not see how the Hon. Member in any way could have any difficulty with those principles.

* * *

THE ECONOMY

CONFERENCE BOARD OF CANADA REPORT

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, my question is directed to the Minister of Finance. He will be well aware that the report of the Conference Board of Canada, an ally up to this point, has pointed out not only will the massive national sales tax imposition see 72,000 jobs lost, inflation increased to over 7 per cent, a reduction in economic growth with certain sectors such as tourism being hard hit, but also a major tax hike for Canadians which the Board estimates will be a $4 billion net increase in the first two years.

In light of a response to a previous question I want to remind the Minister that during the election campaign he had this to say: "The bottom line is that the sales tax will not be used to raise the revenues of the Government of Canada".

Does the Minister plan to keep the promise that he made to the people of Canada during that election campaign that this would be neutral revenue in terms of income?

Some Hon. Members: Hear, hear!

• (1130)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think I answered that question in response to one of the previous questions.

Let me just comment on some of the things. On job loss and economic growth our calculations, according to the Department of Finance study on this matter, show that in year one there will be an improvement in jobs in Canada and also in economic growth. Our calculations on inflation are roughly the same as in the Conference Board study.

We also disagree with the conclusions on the service sector. We attach a greater degree of importance to the removal of tax on business inputs for the service sector and believe that the service sector, as is indicated on page 16 of this brochure, *The Goods and Services Tax*, will have an increase in output greater than the national average increase in output. There is a difference.

As far as the question on this being a major tax hike, to use the Hon. Member's words, I indicated in a previous answer that the Conference Board simply does not have the information—

Mr. Simmons: Blenkarn does.

Mr. Wilson (Etobicoke): —that we have within the Department of Finance to come to that conclusion. At the end of this month when we release the technical paper, the Hon. Member will see that, yes, we are in fact correct.

Mr. Riis: Mr. Speaker, perhaps the Minister will offer to table those reports to which he has just referred.

NATIONAL SALES TAX

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I have a supplementary question for the Minister.

Does the Minister plan to keep the promise he made during the election campaign when he said that the national sales tax would not be used to raise additional revenues? While he is responding to that, could he also confirm that his office is in the process, at this moment, of assembling and staffing up a propaganda office with a multi-million dollar budget at the moment to convince people, using the big lie technique, that this is in their best interest?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, surely the Hon. Member would like us to put out documents—

Mr. Simmons: Don't leak them.

Mr. Wilson (Etobicoke): —like this one which set out clearly the assessment of the Department of Finance of the impact of this tax. It states how the tax works. It has the economic impact. It shows how the existing tax is a drag on the Canadian economy. The existing tax that was widely criticized by the Finance Committee, of which two of his colleagues were members in the last Parliament, is being replaced.

Furthermore, we are introducing a refundable sales tax credit which is more generous in this new tax and that should be widely regarded and widely praised by members of his Party.

Some Hon. Members: Hear, hear!

IMPACT ON BUSINESS INVESTMENT

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, is there something wrong with the Minister's hearing? I have asked him whether he would indicate in this House if he plans to keep the promise to the people of Canada that he made during the election campaign. Second, I asked him to confirm that he is in the process of setting up a propaganda office to convince people that this imposition is good for them.

While he is responding, hopefully to those two questions, will he also indicate clearly that the removal of the 13.5 per cent manufacturers' tax as of January 1, 1991 means business investment in terms of new plants and new equipment will not take place between now and then; in a sense that the impact of this national sales tax will not begin in 1991 but in fact will begin to be felt this summer?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me respond to what I think are three questions. The answer to the first one is yes. I have said that we are going to bring in a new goods and services tax which will replace the existing sales tax and will have income tax offsets, including the refundable sales tax credit to which I have just referred. After that there will be no additional money for the Government of Canada. That answers question number one.

Question number two, yes, in fact, we are going to be releasing a technical paper and other forms of information for Canadians so that they can understand what the

goods and services tax will do, why it is good for the economy, what impact it will have on various sectors and regions of the country, and so on.

The third question is on business investment. Our estimates are that there will be a significant increase in business investment as a result of this tax. It is equivalent, as I have said previously, to a 4 per cent investment tax credit. However, we believe that the transition to this new tax will not upset business investment over the next two years.

* * *

ATLANTIC CANADA OPPORTUNITIES AGENCY

CANADA–NOVA SCOTIA OFFSHORE DEVELOPMENT AGREEMENT

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my question is for the Deputy Prime Minister. Once again the Government's negligent handling of the $200 million offshore development trust in Nova Scotia has reared its ugly head and caused new controversy.

Given that the Prime Minister said in this House on Wednesday in response to the latest controversy that it was "a proper investment of public funds", could the Deputy Prime Minister tell us what assessments were done on these projects to ensure as per the federal legislation that they were offshore oil and gas related?

Did this process also include seeking the concurrence and approval of members of the federal Cabinet from Nova Scotia, or was this Government so negligent as to hand the Nova Scotia Government a blank cheque with no strings attached?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, in reply to the Hon. Member's question, I know he alluded only to one of the controversies that has been raised by the Opposition in the House this week on the Canada–Nova Scotia Offshore Agreement. If the Hon. Member does some closer checking, he will find that the widening of the Stellerton–Chief Harbour Highway is well within the responsibility and daily work of a highway department. I will also say—

An Hon. Member: What happens when you hit the river?

Mr. Simmons: Go and have a look at it.

Mr. Epp: Do you want an answer?

Mr. Tobin: The truth.

Mr. Epp: I am giving you the truth, Brian.

Mr. Charest: Mr. Speaker, order.

Mr. Epp: You know better than that.

Mr. Wilson (Etobicoke Centre): No, I don't think he does know better than that. It is the same old Tobin.

Mr. Epp: If the Hon. Member checks the record it will be very clear. When the Public Accounts Committee meets, I believe on June 26 and June 27 and this issue is before it, it will find that the widening of the highway was done both properly and legally, and I think the facts will bear that out.

Mr. MacDonald (Dartmouth): This Member is not opposed to proper development in Nova Scotia, but I am opposed to the abuse and misuse of this trust to benefit the friends of the Government such as the $2.5 million real estate development that was outlined in the Auditor General's report in December.

PUBLIC INQUIRY – GOVERNMENT POSITION

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my question is again to the Deputy Prime Minister. Given that the Auditor General continues to stand by his statements concerning this fund and its misuse, will the Government now consent to a full, open, and public inquiry into the disposition of this fund, or will the Government continue to be a willing accomplice in the cover-up of the pillaging and mismanagement of the Canada–Nova Scotia offshore development fund?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, perhaps the Hon. Member can clarify to the House what projects he is in favour of and what projects he is not. I understand that the ones that are in the Liberal ridings are quite okay—

Some Hon. Members: Oh, oh!

Mr. Mazankowski: —such as the Sydport International Free Trade Zone, the North Sydney Industrial Park, Highway 125, the Sydport Access Road, the Woodside Ferry and related infrastructure, St. Martha's Hospital, Northside Industrial Park, Phase II, Cossit Heights Park, Highway 107, East Petpeswick Bridge, and Metro Computer Traffic Control. Those are all projects that are

funded out of this program in Nova Scotia. Are you in favour of those or are you against those too?

Mr. Kaplan: It sounds as if the Deputy Prime Minister is using a list of projects to cover up those they cannot defend on proper grounds.

POSITION OF PRIME MINISTER

Hon. Bob Kaplan (York Centre): Mr. Speaker, I would like to ask the Deputy Prime Minister about the defence. A key element in the defence which the Minister of Public Works has given against conflict of interest was the Minister's claim on Wednesday that there was no benefit. but that in fact there was a detrimental effect to adjoining land owned by him from the road paid for out of the government fund for which he is now responsible.

What was it that convinced the Prime Minister that the Minister of Public Works would not benefit from a road built partly on land for which he was paid out of the fund, which provides improved access to vast holdings of the Minister alongside the road, and which is also used by Scott Paper to execute a business deal between the Minister's company and Scott Paper?

• (1140)

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I hope the Hon. Member does not want to leave an impression that I think does not bear to fact. Let us look at that.

Let us look at the widening of the highway. He refers to the Minister and a family member. As I say, the details can come out at the Public Accounts Committee or another time. It was approximately one hectare each, approximately an acre. I think any of us who know anything about highways and the broadening of a highway know that if you take a certain strip of land ten feet or five feet for the broadening, whatever it was, you can very quickly runs up a hectare or a half hectare of land.

Let us not characterize this as if there was some great amount of land that through expropriation was sold or that a flip was made in order that the Minister would receive some money. I think the Hon. Member should re-examine how he is phrasing that in order that wrong impressions are not left.

Mr. Kaplan: The Minister has obviously missed my point.

REQUEST FOR INDEPENDENT INQUIRY

Hon. Bob Kaplan (York Centre): Mr. Speaker, how could the Minister argue that he would not be a beneficiary of the widening of that road, considering how much adjacent land he owns? If he was able to, as he said, convince the Prime Minister that he did not benefit from the widening of that road, will the Government agree to an independent inquiry to look into the impact of that widened road, that $9 million expenditure, on the value of the Minister's adjoining land?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I have given the details as they have been brought to me. I say to the Hon. Member that all of us, and especially cabinet Ministers, operate and function as we should under very strict conflict of interest guidelines.

Ms. Copps: Do you observe them?

Mr. Epp: Yes, we do observe them. That is not right. I think the Hon. Member should remember that the land in question has been held by that family for a long period of time. There are Members on all sides of this House who I am sure have held property for a long period of time.

I am sure there are provincial projects that have gone past that land. There are federal projects that have affected Members' land.

The point that has to be made is very clear. It was done under the legal expropriation agreement of Nova Scotia. I say to the Hon. Member: "Don't use the argument of vast holdings and somehow leave the impression, when half a hectare is going to be affected, that somehow there was a great benefit to the Hon. Minister".

One generally finds that farmers and landholders do not like to give up land for a public works.

* * *

TRANSPORTATION

VIA RAIL SERVICES

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, I would like to ask the Minister of Transport a question. He told the committee on Wednesday that he does not have the VIA Rail business report or business plan and therefore he cannot decide anything. All the rest of us know about the plan, that the future of VIA Rail is on the line, and that the Budget is already being implemented by VIA Rail. One of our offices tried to make reservations after for October 15 in Atlantic Canada and

was told that no reservations were being accepted after October 15. Will the Minister confirm that all VIA Rail trains will still be rolling after October 15 and that Canadians will still be able to use one of their great institutions, railway passenger service?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, the difference between the Member and myself is that he is satisfied with a leaked document. I am not. Normally, I use official documents from Crown corporations.

As to the reservation, Mr. Speaker, if the Member wants an answer he just has to ask VIA Rail.

Mr. Benjamin: We did ask them and they said: "no reservations".

REFERENCE OF VIA RAIL BUSINESS PLAN TO COMMITTEE

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, since VIA Rail was submitting a business report under Mr. deBelleval and now that it is submitting a business report under Mr. Lawless, the President of the CN, the coyote in charge of the chicken coop, are we to take it that there are two reports? Will he give a commitment not to allow the implementation of any VIA Rail business plan until after the plan has been referred to the Standing Committee on Transport that will travel across Canada to get the views of Canadians?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, I will not give any commitment. The Member knows that VIA Rail is operating its day to day operations. We announced recently that there was a fare increase of 15 per cent. It could happen again. There is no commitment which has to be given as long as I do not receive the report by VIA Rail.

Once again, we can use the document you used; it is usual for NDP to work with leaked documents, but it is not usual for the Government.

Oral Questions

NATIONAL REVENUE

RESULTS OF PUBLIC OPINION SURVEY ON TAX RETURNS

Mr. Lee Richardson (Calgary Southeast): Mr. Speaker, a public opinion survey yesterday suggested that 65 per cent of Canadians needed assistance in filing their income tax returns this year because they found them too difficult to complete.

Given the Government's attempts to simplify taxation for average Canadians, I wonder if the Minister of National Revenue could explain yesterday's alarming survey.

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, although Gallup polled some 1,016 people on this issue, our most recent statistics and factual information involve some 17,388,795 Canadian taxpayers. These figures categorically conclude that there has been virtually no change from previous years in Canadians going outside for paid tax assistance. It remains virtually at the same level that it has been over previous years, at some 29 per cent.

Further, we have been able to process, up until this Monday, 12,623,000 returns, which is way ahead of last year. We have refunded over 10 million cheques with an average refund of $662 per Canadian. I think Canadians have responded very well to tax reform.

* * *

[*Translation*]

ACID RAIN

INTERNATIONAL MEETING IN MONTEBELLO—PROPOSAL OF QUEBEC PREMIER—GOVERNMENT POSITION

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, in the absence of the Minister of the Environment, I suppose I should direct my question to the Deputy Prime Minister. The governors of the Northeastern States, the Premiers of the Atlantic Provinces and the Premier of Québec are meeting in Montebello to discuss some important issues, including acid rain. The Premier of Québec suggested Canada approve a measure, probably a joint measure, to control nitrogen oxide emissions in exhaust gases. Is your colleague the Minister prepared to endorse today, or as soon as possible, Mr. Bourassa's proposal regarding one of the major causes of acid rain?

[*English*]

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I am pleased to be able to remind the Member and advise the House that of course Canada has already made some very significant steps with respect to the reduction of acid rain and with respect to domestic production of it. As the Hon. Member knows, there is a program in place which will lead to a 50 per cent reduction from 1980 allowable emissions.

As the Hon. Member also knows, tighter emission controls are in place with respect to automobiles. This Government accelerated the program to reduce use of leaded gasoline to 1990. I think the program announcement will receive the support of all Members of the House.

However, as the Hon. Member also knows, the greatest source of acid rain in this country originates not here but in the United States. I think all the evidence indicates that there is some reason for optimism because of the program which we anticipate the President of the United States will introduce into Congress perhaps early next week. We hope that will lead to an accord. If the House works together to ensure that this accord will be in the best interests of all Canadians, we will get the type of control we have needed for a long, long time.

• (1150)

AMERICAN LEGISLATION ON ACID RAIN

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, I have a supplementary question. I realize that we have to tighten controls, but I suggest that the proposed legislation in California could be considered here. It is very much more rigid than what we have here.

The Parliamentary Secretary mentioned tight domestic controls. At this very moment the Americans are preparing their own legislation on acid rain. The governors are viewing first-hand the death of maple trees in the region I represent, and I have visited the area in the past.

Perhaps the member could convey this fact to the Minister. If we want tougher domestic controls, and we know the Americans are preparing their own legislation, is this not the opportune time to show political will to our neighbours to the south that we intend to correct the problems of acid rain in this country? If we can send the Americans a signal through strict and rigid legislation in the House, they will get the message and we would be on the right road if we had the political will to do it.

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, first, I remind the Hon. Member that problems such as acid rain are not problems which have originated in this country since 1984. They have originated over an extended period of time. If the Hon. Member is willing to be honest, he would concede the fact that there has been more progress with respect to acid rain and reduction of emissions since 1984 than there was in the previous administration.

Some Hon. Members: Hear, hear!

Mr. Clark (Brandon—Souris): I would also suggest to the Hon. Member that Canada, this Government, and I would include all of Parliament in that process, have provided a significant amount of leadership. I believe that we have led the United States and that we will see some fruits of that leadership in the announcement next week.

* * *

SPACE INDUSTRY

SHORTAGE OF SCIENTISTS AND ENGINEERS

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my question is for the Deputy Prime Minister. He must have been as shocked as I was to hear the Prime Minister talk about replacing scientists as easily as buying a new car.

Does the Prime Minister not know that it is the overwhelming opinion of the scientific community and of the space industry that this country faces a crisis in the supply of qualified people for the space program?

Has the Prime Minister even read the report of a standing committee of this House which stated that there was a critical shortage of space scientists and engineers?

Hon. William C. Winegard (Minister of State (Science and Technology)): Mr. Speaker, whenever a new agency is established or there is movement of an agency, we are bound to lose some people in that move.

What is important for us, and indeed for all Members of the House, is to ensure that that move is made as effectively as possible and that the people involved in the move are given as much support as they possibly can

be given. That is exactly what the space agency is now trying to do.

POSITION OF GOVERNMENT

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, the Minister is obviously totally unaware of what has been going on, the lack of information made available to these scientists, and the total disregard for their concerns.

Does the Government, as the Prime Minister seemed to indicate on Wednesday, really think it is unCanadian to be concerned about your family, your children's education, your career, and the program to which you have devoted your life?

Why is the Prime Minister insulting those people who have proved their commitment to Canada through their whole life's work? When will he address their problems instead of insulting them?

Hon. William C. Winegard (Minister of State (Science and Technology)): Mr. Speaker, discussions have been ongoing as late as yesterday in terms of how this move could be effected with the minimum disruption to the people concerned. There have been special discussions concerning how we are actually to help the people move.

The people of St. Hubert and the South Shore have a committee organized to welcome the people. The universities in the Montreal area have all been anxious to participate in helping those scientists, particularly helping them to get appointments on the staffs of the universities. These discussions are going on and are proceeding.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF ANDY BRANDT, LEADER OF THE PROGRESSIVE CONSERVATIVE PARTY OF ONTARIO

Mr. Deputy Speaker: I wish to draw to the attention of Members the presence in our gallery today of Mr. Andy Brandt, Leader of the Progressive Conservative Party of Ontario.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF DELEGATION OF EUROPEAN PARLIAMENTARIANS

Mr. Deputy Speaker: I also wish to draw to the attention of Members the presence in our gallery of a delegation of European parliamentarians, members of the Subcommittee on Transatlantic Trade Relations of the North Atlantic Assembly, led by Mr. Robert McCrindle.

Some Hon. Members: Hear, hear!

* * *

EXTERNAL AFFAIRS

FOREIGN AID—HUMAN RIGHTS POLICY

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, my question is for the Secretary of State for External Affairs. It concerns the statement yesterday by the Minister for External Relations that human rights records are not considered when making foreign aid decisions.

This contradicts stated government policy and Canada's focus at the recent Francophonie summit in Dakar where the Prime Minister stated "human rights are inseparable and indispensable from development".

Does the Government have a policy relating to human rights records in foreign assistance? When will the platitudes end and action begin?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, two points: the name is the Francophone Summit.

The second point I would like to make is that I think the Hon. Member owes it to the House to quote correctly what the Minister for External Relations stated.

The Minister for External Relations stated that there is a human rights component in the judgments that are taken by the Canadian International Development Agency. She made the point that already in the last 12 months there has been a decision taken with respect to Haiti that was taken on human rights grounds.

She was asked a question as to whether in the allocation of budget cuts to the aid program there was going to be account taken in that process of the human rights situation. She stated that the process by which the

Government is committed to reviewing human rights matters occurs later in the year. It will occur in October or November of the year.

That is what the Minister for External Relations stated. It is quite different from what the Hon. Member alleged. It is entirely consistent, not simply with the actions and statements of this Government at the Francophone Summit and elsewhere, but also with the recommendations of an all-Party committee of this House.

FOREIGN AID BUDGET CUTS

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, given the enormous cuts to the foreign aid budget and the Government's assurances that foreign aid will be made more effective, can the Minister assure the House that the Government will immediately make human rights records a criterion for granting foreign aid, immediately?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I know the Hon. Member is more accustomed to dealing with issues that are 29 or 30 years old. She asked for us to do it immediately. We did it last year.

* * *

CANADA POST CORPORATION

COMPUTER CONTRACT—POSITION OF GOVERNMENT

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, in the absence of the Minister responsible for the Canada Post Corporation, my question is for the Acting Minister. The Minister and the Government will know of the very serious allegations in the media and in the Canadian Press report whereby the common law spouse of the Director of Materials and Services Contracting Division of Canada Post has allegedly received a lucrative contract to sell $8 million worth of computers to Canada Post Corporation.

Given that that information has been known in the media and by others for some weeks now, has the Government had an opportunity to review the case and to report to the House concerning the very serious allegation in question?

Hon. William C. Winegard (Minister of State (Science and Technology)): Yes, Mr. Speaker, we have been in touch with the Canada Post Corporation and it informed us that it has, as one would expect, a well established set of guidelines with respect to conflict of interest. I am informed that it has followed those guidelines to the letter in this case, as it does in other cases.

Ms. Copps: They better rewrite them, then.

[*Translation*]

REQUEST TO KNOW IF CONFLICT OF INTEREST GUIDELINES HAVE BEEN FOLLOWED

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have a supplementary for the acting Minister responsible for Canada Post. From the answer the Minister just gave, we know that the conflict of interest guidelines are apparently being followed at this time. Did the Minister or the Government check whether the conflict of interest guidelines were followed at the time the contract was awarded?

• (1200)

[*English*]

Hon. William C. Winegard (Minister of State (Science and Technology)): Mr. Speaker, I am informed by Canada Post that not only does it have a set of conflict of interest guidelines but, as far as it is concerned, in this particular instance the corporation says that they set a good example of how to conduct business.

Mr. Deputy Speaker: There will be one further question. The Hon. Member for Moose Jaw—Lake Centre.

* * *

AGRICULTURE

PROVINCIAL SOIL AGREEMENTS

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, my question is for the Minister of Agriculture.

On May 3 last the Minister told the House that the reason he had not signed the soil and water conservation accord and soil agreements with Saskatchewan was that he wanted to ensure that they complied with all the criteria. The agreements for Saskatchewan, along with the agreements for Alberta, Prince Edward Island, and New Brunswick, are on the Minister's desk awaiting his signature. There are no negotiations presently taking

place. In fact the provinces have received final approvals. To what criteria is the Minister referring and when will these agreements be signed?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the Hon. Member has his facts wrong. He mentioned Alberta. I am going to be talking to the Minister of Agriculture in Alberta on Monday about the soil and water conservation program. There are still some outstanding details with respect to it. I hope that they will be cleared up soon.

* * *

POINTS OF ORDERS

COMMENTS DURING QUESTION PERIOD

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I rise on a point of order. I would like to bring to your attention an exchange that occurred during Question Period between the Minister of Energy, Mines and Resources and the Hon. Member for Humber—St. Barbe—Baie Verte. I think words were said that were not in keeping with the usual practice of this House, nor in keeping with the habits of the Hon. Member for Humber—St. Barbe—Baie Verte in this House. I think it would be appropriate, if he were offered the opportunity, for him to withdraw those comments.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, if this Minister were as quick off the mark a year ago, we would not have had the embarrassment of Seoul, as he is in trying to be quick off the mark for no purpose in the House. What the Member said, and I submit that the intervention is political and not serious, was "tell the truth" and what the Minister replied was "I am telling the truth". I do not know what is the problem.

Mr. Charest: If the Member needs to have it spelled out to him because he cannot understand any further, his reply was "That's not probable that he is telling the truth". I understand that is the context—

Mr. Deputy Speaker: The Chair did not hear the words. Therefore if it is acceptable to Members, we will have a look at the "blues". If something was said that was unacceptable, I am sure the Member from Humber—St. Barbe—Baie Verte will withdraw it. Perhaps we could leave it at that for now.

On a point of order, the Hon. Member for Kamloops.

REQUEST FOR TABLING OF DOCUMENTS

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, during an exchange in Question Period the Minister of Finance referred on a number of occasions to a number of reports and studies that his Department has completed. I wonder if the Minister would do the time honoured and traditional thing and table those reports in the House so that all Members will have the opportunity to evaluate that information.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would refer the Hon. Member to *The Goods and Services Tax* brochure dated April 27. A number of elements in it relate to the economic cost of the federal sales tax on page four and on subsequent pages, as well as on the competitiveness and growth impacts which are on pages 15 to 18. I would also remind the Hon. Member that there will be a technical paper which I will be making available hopefully later this month. In that paper there will be further information on the economic impacts.

Mr. Riis: Mr. Speaker, I appreciate the Minister of Finance sharing with us some of the comments in the *Budget Papers* which we have all read and studied. However, he made reference to a number of other documents, particularly economic impact studies that his Department had completed. They were the ones to which I was referring. I wonder if he would table them for all Members to see.

ROUTINE PROCEEDINGS

[*English*]

CANADIAN DEVELOPMENT INVESTMENT CORPORATION

TABLING OF ANNUAL REPORT

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, pursuant to Section 150(1) of the Financial Administration Act and Standing Order 32(2) of the House of Commons, I have the honour to table, in both official languages, the 1988 annual report of the Canadian Development Investment Corporation.

[*Translation*]

SPORTS

GOVERNMENT POLICY ON ANTI-DOPING

Hon. Jean Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons)): Mr. Speaker, for several months now, Canadians have followed very closely the public hearings of the commission of inquiry into drug use in amateur sport, better known as the Dubin Inquiry.

Before the Olympic Games in Seoul, probably very few people in Canada knew about anabolic steroids. Since the incidents involving Canadian athletes and the appointment of a commission of inquiry chaired by Justice Charles Dubin, the least one could say is that Canadians have become very much aware of the problems of drug use in sport.

For governments, however, the problem of doping and cheating in sport is not a new one. In 1983, after the Pan-American Games when several Canadian athletes who had tested positive were sent back to Canada, the federal Government drafted its very first anti-doping policy.

In 1985, my predecessor, the Hon. Otto Jelinek, announced a major tightening of the policy drafted in 1983. As a result, any athlete who tests positive for anabolic steroids is suspended for life by Sports Canada, even for a first offence.

Mr. Speaker, Canadian sanctions are among the severest in the world.

We have decided to take a firm stand at the national level, a decision that has also led us to try and influence the international sports community as a whole.

[*English*]

Canada's severe policy in the area of doping in sports obligated us as a country to assume a leadership role in trying to eradicate this problem world-wide. In 1986, the Canadian Minister of Sport was afforded the privilege of addressing the Council of Europe at an assembly of 25 Sports Ministers from Europe. At that time the Hon. Minister of National Revenue (Mr. Jelinek) chose to speak on the very serious issue of doping in sport and the urgency of the sport community to act. The importance of an international effort was put into perspective in the following remarks which I want to quote, keeping in mind these words were pronounced in 1986:

> In short, the objective must be universality. The nature of this issue, indeed what may lie at the very root of it is concern that the actions of one country may outstrip the actions of others, thus disadvantaging in the short run at least, those who undertake the strongest action. I do not personally believe in a qualified or conditional code of ethics, but we all know that our athletes however much they may wish to compete in an environment not only of a relative fairness but which conforms to high personal standards of morality, do not want to be faced with the ambiguity and temptations which arise from inconsistent application of rules.

In view of reaching our objective, that Minister had a clear vision of Canada's role. I want to draw from the same speech and quote:

> I believe that Canada's position permits us to make an offer to play the credible broker as between east and west, and among western nations around this table, with the objective of facilitating the eventual adoption of international agreements on the widest possible basis.

During the successful Calgary Olympics in 1988, the Canadian Government, with the IOC, succeeded in convincing Governments from the east bloc and west bloc to sit down together with representatives of sport federations and hold the first world permanent conference on anti-doping in sport.

This conference, held in Ottawa in June 1988 before the Seoul Olympics and co-hosted by the IOC represented by its vice-president, Prince Alexandre de Merode, and the Canadian Minister, was a resounding success. The result of the conference which included 28 countries was the proposal of a world anti-doping charter that proposes among other things harmonization of testing procedures and sanctions and out of competition testing without prior notice.

As a result of this conference, the Government of Canada agreed to head a working group whose mission was to promote the anti-doping charter to other Governments. The IOC under the able leadership of its vice-president, Prince Alexandre de Merode, undertook to promote the charter to the responsible authorities within the international sport community.

Since that first successful world conference the following action has been undertaken. In September of 1988, in the week preceding the Seoul Olympics, I was honoured with an invitation to present the anti-doping charter to the IOC executive committee. The charter was adopted by the IOC at their general meeting and renamed the International Olympic Anti-Doping Charter. The president of the IOC, Juan Antonio Samaranch, in his

opening remarks to the IOC general assembly, thanked Canada for having agreed to play a leadership role.

As agreed to between the President of the IOC and the Canadian Government, the anti-doping charter was subsequently presented and supported at the second UNESCO Conference of Sport Ministers held in Moscow in November of 1988. The UNESCO Conference of Sport Ministers was the largest forum of its kind in the world.

• (1210)

Nine days ago, Canada scored a significant victory in the battle against drug abuse in sports. At the sixth conference of European sport Ministers held in Reykjavik, Iceland, representatives of 25 countries officially endorsed the International Olympic Anti-doping Charter. As in 1986, Canada was invited for a second time to address this conference on the issue of doping in sport.

[*Translation*]

Canada's success at the international level was made possible by our firm resolve to deal directly with the drug problem and show that we are prepared to practise what we preach. The appointment of the Dubin Commission is one example.

Mr. Speaker, today I intend to share with you, and with all Members of this House, our latest achievements. Since the Olympic Games in Seoul and the hearings of the Dubin Commission, the question I hear most often, and this applies to other Members of this House as well, is whether other countries will follow suit. Will Canadian athletes be the only ones to obey the rules? It is still too early to answer yes or no. However, we can say that we have made considerable progress so far.

[*English*]

The question most often asked of me and other Members of the House is whether Canadian athletes will be the only athletes in international competition to abide by the rules. Will other countries impose upon themselves the same tough scrutiny and discipline that Canada has adopted for itself?

For that reason, Mr. Speaker, I felt that it was important to report to you and Members of the House the progress we have accomplished to this date. Canada's resolve to deal directly and openly with the doping problem has been praised by the international community as a bold and courageous step.

Canadians should take pride in the fact that we stood by our principles in the most difficult of circumstances. There is still much work to be done as the Government awaits the recommendations that will eventually be put forward by the Dubin inquiry.

In the meantime, real progress has been accomplished world-wide, in great part because of our collective resolve.

I want to take a moment to thank my critics from the opposition Parties who have shown on this issue and other areas, a good example of co-operation and collaboration in the House.

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, before I begin my remarks I want to thank the Minister for his last comment. Certainly his initiative has gone a long way to creating that spirit of co-operation.

I am grateful for the opportunity to respond today to the statements made by the Minister of State for Fitness and Amateur Sport (Mr. Charest).

The endorsement given to the International Olympic Anti-doping Charter at the sixth conference of European Ministers responsible for sport recently was indeed a positive step in the process to establish world-wide adoption of this charter. The charter was originally drafted at the first permanent world anti-doping conference held here in Ottawa in 1988. At that time, Canada accepted the responsibility to promote the charter's acceptance throughout the world. Thus, with the approval of the charter by the 25 European governments attending the Reykjavik conference, we are closer to that goal.

While I am pleased with the European endorsement of the anti-doping charter, I believe Canada must continue to obtain further endorsements from other governments if this charter is to have any weight in the sporting world. Given the tragic events that occurred during the Soeul Olympics, Canada has to display to the rest of the world its steadfast commitment toward

eradicating the use of drugs in sport, both domestically and internationally. However, we cannot simply be seen as supporting the international fight against drug use while not taking enough productive steps to eliminate drug use in amateur sport in Canada. Sadly, however, this was indeed the case over the last few years.

Canada should be commended for what has been accomplished at the international level. But our efforts at home have not been as successful. I am concerned by the fact that the Government is eager to display its commitment to eliminating drug use in amateur sport but is not as eager to share in the responsibility for what is going on in our own backyard.

The shock and disbelief that many Canadians felt over what occurred in Soeul has been eclipsed by what we are witnessing from the Dubin inquiry. The inquiry has so far uncovered considerable evidence of the use of drugs and the extent of the problem in Canadian amateur sport. This problem cannot be related to the actions of one single athlete in only one specific sport. The inquiry has shown that a number of athletes and coaches have been involved in the use of illegal performance enhancing drugs and in perfecting measures to escape detection.

Given the revelations of the Dubin inquiry to date, I certainly would like to know, as I believe many Canadians would, how the present Minister for Fitness and Amateur Sport and his predecessor did not know what was going on in our amateur sport system. I find it truly amazing that they were giving funding to a number of our A-card athletes and others who, as their testimony has shown, were using illegal drugs and were involved in an extensive drug program for a number of years. Given the part played by the Government in assisting amateur sport in Canada, it could have been more effective in recognizing and preventing what was occurring.

I do, however, want to state that the majority of Canada's amateur athletes, coaches and officials must not be painted with the same brush. We all know that they contribute a considerable amount of time and honest effort to amateur sport here in Canada and in competitions abroad.

I hope to comment further on the Dubin inquiry after its conclusion and when its recommendations have been released. I also sincerely hope that the response of the Minister to the inquiry's recommendations will be dealt with firmly and expeditiously by the Government in a prudent and satisfactory manner.

In conclusion, I would like to assure the House of my support for Canada's international efforts to obtain world-wide approval of the anti-doping charter. I would also like to remind the Minister of Fitness and Amateur Sport of my question to him on April 14, when I asked the Minister if he would endeavour to have Canada participate in the joint U.S.-Soviet agreement that allows these countries to randomly test each other's athletes for illegal performance enhancing drugs. The U.S. Olympic Committee said they expected other countries to join in this program. I was happy to learn that on June 3, the USOC ratified the structure of this agreement. Canada's decision to join now would be a further indication to the sports world of our commitment to end drug use in amateur sport.

Mr. Howard McCurdy (Windsor—Lake St. Clair): Mr. Speaker, I am pleased to stand in the place of our critic for sports, the Hon. Member for Victoria (Mr. Brewin), who is unable to be here. In speaking on behalf of my colleagues in the New Democratic Party, I want to reaffirm our support for the work of the Dubin inquiry and for all efforts to rid sports, indeed all aspects of Canadian life, from the scourge of illegal drugs.

We share the Minister's enthusiasm for the actions of the European sports ministers in endorsing the International Olympic Anti-doping Charter.

There is still a long way to go, as I am sure the Minister recognizes. We await with interest the completion of the Dubin inquiry and its conclusions. We caution all Canadians, indeed the international sports community, from drawing too many conclusions before all the evidence is in.

We look to the Dubin inquiry to examine the role of athletic organizations at home and abroad in inducing athletes to use banned substances, particularly in respect of setting qualifying standards for funding of promising athletes. One might wonder about what seems to have been a long-standing complicity of ignorance about the use of drugs in athletics in Canada that many of us who are involved in sports like track and field knew would be a problem.

We want to look at the "win at all cost" philosophy that seems to have overcome the ideals of sport. We look to Mr. Justice Dubin to shed light on the distinction between dangerous drugs and performance enhancing drugs, because the treatment accorded to athletes in

respect of their continued eligibility should certainly be weighed under different criteria for one as compared to the other.

• (1220)

We look also to the inquiry to examine the arbitrary system of discipline which denies athletes at present the fundamental right of natural justice when determining their athletic futures in the face of allegations of drug use.

My colleague, the Hon. Member for Victoria has put a motion on the Order Paper calling for a bill of rights for athletes. I commend that motion to this House, to the Government and to Mr. Justice Dubin.

We must deal with drugs in sports. We must do so in a way which is consistent with the high ideals of sports and with fairness, justice and wisdom. The action of the European sports ministers was a step in the right direction.

* * *

INTERPARLIAMENTARY DELEGATION

PRESENTATION OF REPORT OF THE COMMONWEALTH PARLIAMENTARY ASSOCIATION

Mr. Maurice Foster (Algoma): Mr. Speaker, pursuant to Standing Order 34, I have the honour to present to the House, in both official languages, the report of the delegation of the Canadian Branch of the Commonwealth Parliamentary Association, of the thirty-seventh parliamentary visit to Britain which was held at Westminster from May 3, 1989 to May 19, 1989.

* * *

PETITIONS

REQUEST FOR CHANGES TO EXTRADITION LAWS

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, I am presenting a petition today which relates to a very important criminal justice issue that is of great concern to Canadians. I have here signatures of petitioners from right across Canada. There are 1,484 signatures on this particular petition.

The petitioners call upon Parliament to revise the laws of Canada relating to extradition to allow the Justice Minister of Canada to order the extradition of alleged or convicted criminals at any time after their apprehension in Canada, even during their period of incarceration for crimes committed in Canada.

Mr. Alex Kindy (Calgary Northeast): Mr. Speaker, pursuant to Standing Order 36, I have the honour to present two petitions containing 1,442 signatures on behalf of my constituents of Calgary Northeast in Alberta, which request that the likes of Charles Ng and Joseph Kindler be extradited immediately.

I would like to quote from *Hansard*, page 2670, where the Minister of Justice states:

> —the treaty clearly states that where there is an extradition arrangement the provisions of the arrangement or the treaty take precedence over the Act.
>
> The decision whether or not to extradite is a decision with discretion in the hands of the Minister of Justice.

Therefore, I request the Minister to take his responsibility and act swiftly so that justice not be further delayed.

VIA RAIL CUT-BACKS

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I rise pursuant to Standing Order 36. It is my duty and honour to present a petition on behalf of residents of the city of Moose Jaw who are concerned about the future of VIA Rail.

In the petition they call upon the federal Government to ensure that rail passenger services in Canada be retained, modernized and expanded as an important part of our national transportation system.

UNEMPLOYMENT INSURANCE ACT AMENDMENTS

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, it is my honour under Standing Order 36, on behalf of residents of Canada, to submit a petition to this House regarding the proposed changes to the Unemployment Insurance Act, which is also presently being debated in this Chamber.

The undersigned are grieving the proposed changes which will prevent up to one million Canadians annually from establishing unemployment insurance claims. They are grieving the kind of Draconian changes that are implicit in this legislation and ask for the Government to reconsider in due course.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my honour to present a petition pursuant to Standing Order 36, on behalf of a number of people from Kamloops, British Columbia, who are concerned with the Government's intention to change the Unemployment Insurance Act. They recognize it is going to cut out hundreds

of thousands of people from benefits that they ought to receive. They are asking the Government to reconsider this Draconian measure.

ARMAMENTS INDUSTRY

Mr. Nelson A. Riis (Kamloops): Another group of constituents from Kamloops, British Columbia, are very concerned about the apparent growing militarization of the Canadian economy being fostered by the federal Government. They are asking the federal Government to come to its senses and back off from this incredibly negative initiative in terms of attempting to enhance and expand the arms industry in our country.

* * *

[*Translation*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, if question No. 34 were made an order for return, this return would be tabled immediately.

Mr. Deputy Speaker: Is it the pleasure of the House that question No. 34 be made an order for return?

Some Hon. Members: Agreed.

[*Text*]

LOANS OR GRANTS TO SCARBOROUGH WEST

Question No. 34—**Mr. Wappel:**

For (a) 1984 (b) 1985 (c) 1986 (d) 1987 (e) 1988 did any individuals, groups or corporations in the electoral district of Scarborough West receive any loans or grants from the government, its agencies or Crown Corporations and, if so (i) which individuals, groups or corporations (ii) in what amounts (iii) for what reason were these funds provided?

Return tabled.

[*Translation*]

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

Mr. Deputy Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: I wish to inform the House that because of the Minister's statement, Government Orders will be extended by 16 minutes.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—RAIL PASSENGER SERVICE

The House resumed consideration of the motion of Mr. Tobin:

That this House condemns the Government for its short-sighted and punitive policies that are designed to eliminate passenger rail services in Canada despite the essential nature of these services to the development of communities in all regions of the country.

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, before my debating time starts, I have a point of order. In the absence of the Minister of Transport (Mr. Bouchard), who has failed to show up for the questions and comments period—

An Hon. Member: Order.

Mr. Benjamin: —on his speech, can we direct questions to any other Minister in the House?

Mr. Deputy Speaker: No, unfortunately not. We must resume debate with the Member for Regina—Lumsden.

Mr. Cooper: Mr. Speaker, it is my understanding that the Minister of Transport extended his apologies to the two Opposition Parties and indicated that he was not able to be here for the latter part of the debate, although he was here this morning. I just wanted to bring that to the attention of the House.

Mr. Benjamin: Mr. Speaker, that is news to me. In 1977, after studying the establishment of VIA Rail Canada Limited with a $1 item in the Estimates, and after watching its operations for the first few months, I said then: "VIA Rail designed to fail." Twelve years later, what I said then applies now.

VIA Rail was finished before it even sold its first ticket; before the first train started to move it was $100 million in the hole. It started off with the deck stacked

against it. It had to pay out, using taxpayers' money, $77 million to CN and CP for that old, worn out equipment.

Twelve years ago, the youngest car was 25 years old. The youngest car now is 37 years old. However, we were assured by six successive Ministers of Transport, and that is how many we have been through since 1976, all of whom said they and their governments were committed to a viable, at least break even, safe, reliable national rail passenger system.

The first three Ministers were from the previous Liberal administration, all of whom are unlamented. Mr. Lang is the one who started VIA Rail with the $1 item in the Estimates. He told us in 1976 and again in 1977 that there would be a VIA Rail and a national rail passenger transportation act.

• (1230)

Then there was Jean-Luc Pepin. He is the fellow who undertook 21 cut-backs. I remember hearing the Conservatives, including the Hon. Member for Vegreville (Mr. Mazankowski), raising Cain with the then Government and the then Minister of Transport about cut-backs on 21 routes.

Then there was the unlamented former Minister of Transport, a sitting Member of the House at this time, the Hon. Member for Winnipeg South Centre (Mr. Axworthy). There is good reason why he is not the transport critic for the Liberal Party.

Mr. Milliken: He has been moved up.

Mr. Benjamin: The Hon. Member says he has been promoted. Transport happens to be the largest Department in the Government. He got promoted down, not up.

With Mr. Lang we did not get legislation. With Mr. Pepin we got massive cut-backs and no legislation. The present Member for Winnipeg South Centre kept the cut-backs, brought in no legislation and no new equipment. The three of them said: "We will re-equip VIA Rail so that it can function the way it should".

Mr. Milliken: What about the LRCs?

Mr. Benjamin: It took four years to get the bugs out of the LRCs before they started operating half decently. All the locomotives had to be overhauled—and they were brand new. I ask the Hon. Member not to tell me about LRCs. If the Hon. Member knew anything about transportation I would not mind his intervening.

Along came 1979 and the Hon. Member for Vegreville, who is also the Deputy Prime Minister and was the Minister of Transport at that time, said on November 21, 1979, "This Government is indeed encouraging the revitalization of rail services throughout Canada". In October, as reported in the *Calgary Herald*, he said he wanted to bring romance back to VIA Rail, back to train travel. As reported in the *Halifax Chronicle Herald* on October 11, 1984—and this is after the Hon. Member for Vegreville had his second incarnation—he said: "At long last Canada has a federal Transport Minister who has a vision of rail passenger travel in this country". It was refreshing to hear him talking of high-speed services in the Montreal corridor and between Edmonton and Calgary. It was pleasing to hear him speak of new locomotives and cars for the use of VIA Rail in the Maritimes.

In November, 1984, the Hon. Member for Vegreville said, "We intend as well to put in place a proper legislative mandate that will ensure that it will continue to work providing the type of service that will make all Canadians proud".

In May, 1985 he said as reported in *Hansard*: "I can assure the Hon. Member that we are committed to revitalizing rail passenger service. We are also committed to putting in new equipment."

In December of 1985 he said: "The drafting of the new Passenger Rail Act is in its final stage. Many attempts are being made to improve the attractiveness and therefore the ridership of VIA Rail".

In February of 1986 he said: "I can indeed reconfirm this Government's commitment to viable rail passenger service in this country".

We have had nothing but a double-cross and a betrayal.

There were two other Ministers who followed in the footsteps of the Hon. Member for Vegreville as Minister of Transport. There was the Hon. Member for St. John's West (Mr. Crosbie) who said in May of 1987: "Because of the additional funding we are now providing for VIA Rail, it will be able to go forward with its plans to construct maintenance facilities in Winnipeg, Vancouver and Halifax". What do we need brand new maintenance

facilities for if there ain't no trains running? That passes all understanding.

I agree with the Hon. Member who led off the debate, the present Minister of Transport is a nice fellow. However, he "don't know nothing" about transportation.

When the Minister told us in the House and in the Transport Committee yesterday that the VIA Rail cuts were based on Department of Finance studies what crossed my mind immediately was: where the heck was the Department of Transport? Why are these gnomes in the nether regions of the Department of Transport, who would not know one end of a locomotive from another, doing a study on VIA Rail? Any self-respecting Minister of Transport would immediately go to the Prime Minister (Mr. Mulroney) and say: "Look, either I am running my Department or here is my resignation". However, he sits passively by.

It is now more obvious than ever that this Government and the previous one never had any intention of bringing in a national rail passenger act. Keeping it as a one dollar item in the Estimates allows the Government and any Minister, as well as VIA Rail, the CNR or the CPR, to do any damn thing they want, any time they want, any place they want.

I am sorry that I have to be somewhat bitter about this. I remember a Liberal Cabinet Minister saying: "Use it or lose it". A Conservative Cabinet Minister repeated that expression, including the Hon. Member for Vegreville.

Despite all the statements that have been made by successive Ministers of Transport, particularly the last three, I wonder how they feel about having the Minister of Finance making liars out of them and the Prime Minister? "Use it or lose it", they said. Mr. Speaker, if you run a train old enough and slow enough and late enough so that nobody will get on it, how could you get anyone to use it? The deck was stacked against the travelling public of Canada from day one. They had no intention of installing a viable rail passenger system.

Since 1976 we have been proposing brand new passenger locomotives, although how they will haul trains with these cut-backs is hard to say. We have received between 30 and 50 of them. Some are still coming on stream. However, we need a minimum of 150 new transcontinental passenger cars for western Canada and Atlantic Canada, from Montreal east. This Government and the previous ones since 1976 have spent more money refurbishing old cars and old equipment than what it would have cost to completely re-equip VIA Rail. These Liberals and these Tories talk about sound business practices. Any private businessman who tried to operate a railway in that manner would have his banker laughing him out of the bank.

Mr. Milliken: We did not support the refurbishing of those cars.

Mr. Benjamin: I want to remind my hon. friend that the Liberal Government, of which Mr. Pepin and the Hon. Member for Winnipeg South Centre were a part, supported the refurbishing of cars. In fact, some of these cars are now being refurbished for the third time. If those are sound business practices, then they are a bunch of bone-heads.

Once the new equipment is put in place, what VIA Rail will save in operating maintenance costs will be enough to recover the costs of the new passenger cars in five to seven years. Instead of that, we are refurbishing cars that are anywhere from 37 to 50 years old, some of them for the third time.

• (1240)

You wonder why VIA Rail cannot succeed. You wonder how. You do not need to wonder, now that it is "VIA Rail designed to fail". The only ones that have been made happy about this are the current Minister of Transport (Mr. Bouchard), the Minister of Finance (Mr. Wilson) and the bus companies. That is about it.

I want to suggest, Mr. Speaker, that had what I proposed and proposed for all these years been put in place, you would not have between six million and seven million Canadians riding VIA Rail, you would have 15 million to 20 million Canadians riding VIA Rail. You would speed up the schedules.

I have made a thorough study of the VIA Rail national schedules. It takes seven and a half hours from Regina to Winnipeg when you should be doing it in not more than six; it could be done in five hours and 30 minutes. You see that throughout the whole system.

I have in my office, which I invite you to come and see, a copy of the CPR Transcontinental schedule for 1892. The average speed from Montreal to Vancouver was 33 miles per hour and the train had to stop every 100 miles for coal and water and to change crews. The average speed of VIA Rail, Montreal to Vancouver, is 36 or 37 miles per hour—"VIA Rail designed to fail". The Government has deliberately handicapped it to the point where it cannot succeed.

The one president VIA Rail had, Mr. deBelleval, who was finally starting to turn it around, was preparing a five-year plan including a high-speed train corridor that will take several years and $2 billion to $3 billion of investment, but you have got to invest the money before you can get a return on it. You have got to invest the money before people will use it. These guys keep doing it backwards.

I would like to remind the House of another thing, Mr. Speaker. How come the Government is picking on VIA Rail? The Minister says, "We cannot continue to keep throwing all this money at VIA Rail." Why doesn't the Government pick on the St. Lawrence Seaway and all the ports that lose a bundle every year? The Government should do with some of them what it is going to do with VIA Rail. VIA will be operating a passenger train only three times a week. So let us have some of those ports shut down four days a week. They can only operate three days a week. We will close the locks on the St. Lawrence Seaway four days a week.

The juicy one, Mr. Speaker, is Air Transport. Believe it or not, the Department of Transport puts out a document called Self-Supporting Airports and there are nine of them that are supposed to be self-supporting. Well, seven of the nine had losses for last year of over $50 million. The accumulated deficits of those seven so-called self-supporting airports comes to $833 million. I think we have to take Winnipeg, Ottawa, Dorval, Mirabel, Halifax, Calgary and Edmonton and shut them down for four days a week, or they can only operate three days a week. I mean, we cannot keep throwing all this money at those airports. When you add all the other so-called non-self-supporting airports that the Department of Transport operates in Canada, Mr. Speaker, you are looking at deficits of $500 million to $700 million a year, subsidies to air passengers.

What the heck is the Government doing? It does not know and it does not care. The Government deliberately picks on a mode of transportation that millions of people in Canada want to use. In my city the westbound train goes through at two o'clock or 2.30 in the morning and the eastbound somewhere around 3.30 a.m. or four o'clock. It is a great time of the day to entice people and give them the incentive to get on the train. Even so, people in my city are angry about what is going to happen to the rail passenger service.

I often wonder how the Government allocates the air transport tax. By the way, did you know, Mr. Speaker, that losses of the airport do not include the some $25 million it costs for RCMP services? Those services are charged to the Solicitor General and there are a whole bunch of other charges.

All the fines and parking tickets and whatnot that are picked up at airports goes to general revenue. Those funds do not go to the airports nor to the Department of Transport. They go into general revenue.

The Minister of Finance and the Minister of National Revenue (Mr. Jelinek) get their grubby hands on it and that is the last you see of it, and that is a few million dollars a year. Why is the Government picking on VIA Rail?

Every mode of transportation since the invention of the wheel has been subsidized. There has never been a totally self-supporting, self-sufficient mode of transportation in history, even since the days of the Babylonians, that paid for itself, let alone make a profit. There never has been and it did not matter whether the system was state-owned or privately owned. The situation applies in both circumstances. It always has and always will.

The problem is that this Government and the previous ones refuse to treat transportation as a public utility. If the private sector will not do the job, then the public sector has to take it over and damn well do it. But it is a public utility. Transportation is something that everyone has to use, directly or indirectly, and until you have national transportation policies that spell that out then the fate of any individual mode of transportation or transport facility is left to the whim of any given Minister of Transport or any Ministry or Government from time to time. And that is no way to run a railway.

I want to move a sub-amendment to the amendment, seconded by the Hon. Member for Edmonton East (Mr. Harvey):

> That the motion be amended by adding the following words:
>
> that this House further condemn the Government for reneging on the commitment made by the Deputy Prime Minister, which reads in part, "every step necessary will be taken to ensure that VIA will operate in a safe and reliable fashion in offering good service to Canadians from coast to coast".

Mr. Deputy Speaker: I will take the amendment under advisement and report back to the House as soon as possible.

Mr. Kilgour: Mr. Speaker, the commitment of the Hon. Member for Regina—Lumsden (Mr. Benjamin) to VIA Rail is a sincere and long-standing one and no one in this House would gainsay that. Would the Member tell the House how many jobs would be in jeopardy in Regina, Saskatoon or elsewhere, that he might have figures for, if VIA were to shut down completely in western Canada or in Saskatchewan?

• (1250)

Mr. Benjamin: Mr. Speaker, I thank my hon. friend. Since both Regina and Saskatoon are not division points, there are no crew changes in either of those places. I don't know. I am just guessing. I suspect it will mean a loss of 10, 15 or 20 jobs in Moose Jaw; some at Melville; some at Wilkie; maybe a few in Saskatoon. The only VIA Rail employees we have in Regina are two or three ticket clerks who work in the middle of the night.

It is not a question of employment in my city. However, when you take the situation across the country, not only VIA Rail but what CN and CP are doing, we are looking at tens of thousands of jobs.

One of the abandonments VIA Rail will undoubtedly undertake will be the Montreal-Ottawa-Sudbury run because CN wants to abandon that rail line. That fits in very well with Mr. Lawless' ideas as President of CN as well as what will be his ideas as President of VIA Rail. I suppose you could call that a neat job, a further neat job being done on VIA Rail.

Mr. Kilgour: Mr. Speaker, I would ask him if he has been able to do any studies as to not only the number of jobs that will be affected, but the number of Canadians who would not have access to rail transportation if VIA were to be eliminated altogether.

Mr. Speaker, I might say that the Member and I have travelled on VIA. We both travel on it quite frequently, I believe. Has he been able to prepare any material on this matter yet?

Mr. Benjamin: Mr. Speaker, I thank my hon. friend. I apologize. I have been trying to find out from senior citizens' associations and tourist associations but the only thing I have been able to get so far is what is in news reports. Senior citizens in particular do not have the facilities and wherewithal to do a study.

I can say that the last time I took the train with a bedroom from Regina to Ottawa, I did my own survey. I went the length of the entire train and talked to passengers. I found they were in three classes. There were senior citizens who either could not afford a plane ticket—although VIA Rail tickets now are almost as much as a plane fare—or needed the space to move around, have a sleep, or whatever. There were young families with two, three, or four children, who cannot afford plane tickets. One can imagine what it would be like putting them all on a bus for a 600 or 1,000-mile trip. Then there were tourists. Japanese, West Germans and Americans accounted for most of the tourists on the train. They were delighted that they could make that trip. One of the reasons they came to Canada was to travel from Vancouver to Montreal, stop off and see Banff, Jasper, Calgary, and Edmonton and then go on to Montreal. Then they go down south and take Amtrak back to the west coast, or vice versa. The tourist potential on this alone has been barely scratched.

I know my hon. friend is aware of this. All you have to do is talk to the tourist people in Edmonton and Jasper. They will tell you in spades what it means to them.

By the way, I mentioned Amtrak. They have re-equipped Amtrak. It is is doing very well, thank you. At least they had the foresight in the United States to re-equip it. They do not have to pay an arm and a leg to the railroads of the United States like they do in Canada. In fact, if VIA Rail could operate under the same formula as Amtrak does in the United States, they would save $60 million to $120 million a year in what they have to pay to CN and CP.

Mr. Deputy Speaker: The Hon. Member for Winnipeg North on a question or comment.

Mr. Pagtakhan: Mr. Speaker, I would like to rise and comment. I support the Opposition motion "That this House condemn the Government for its short-sighted and punitive policies that are designed to eliminate passenger rail services in Canada despite the essential nature of these services to the development of communities in all regions of the country."

I also stand and rise to support the amendment that this House further condemns the Government for reneging on its promises to support VIA Rail and provide reliable and safe service across the country.

I would like to reflect the viewpoint of a westerner from Manitoba, although this is truly a national issue because it affects all Canadians from coast to coast.

Let me remind the Government, Mr. Speaker, of a few things, lest it has forgotten that Canada is a country with vast areas, that it is a country with distant and remote communities, that it has one of the harshest climates in the world, that it has hazardous roads in the winter, that it is a country with beautiful scenery and landscape that attracts tourism.

It is also known, Mr. Speaker, that most cultural centres, trained technicians and health and social services are found in the cities of our country. Hence, I submit that VIA Rail offers an excellent tool for tourism in Canada. It offers all year-round transportation for most rural communities. It will ensure amenities for Canadians in the rural areas and countryside. It will ensure access to essential health care and social services that are only found in the major cities of our country. Furthermore, VIA Rail ensures the economic growth of our regions and communities.

I would also like to remind this Government that all Canadians from all parts of this country pay taxes. They will, in fact, stand and fight for this country when the time or need arises. Thus, I would like to pose to the Government the following questions.

Has it forgotten the geography and character of Canada? Does it not believe that tourism is an essential industry of the country? Does it not want to provide safe travel for all Canadians the whole year round? Would it not like to ensure that rural citizens have the privilege to access cultural amenities in major cities? Would it not like to believe that Canadians, wherever they are, ought to be able to access medical and health care services? Does it not believe that Canadians in all parts of the country have a right to move freely and safely?

I honestly believe that the Government will agree that VIA Rail has helped build this country from coast to coast, that VIA Rail will ensure the link to rural communities in Canada and provides safe transportation for all and that it will ensure the economic growth of all regions. If the Government does agree, then it should condemn its short-sighted and punitive policies.

Finally, I submit that a medical doctor, on seeing an ailing patient, makes a diagnosis first. He then ascertains the causes of the illness. He then prescribes the necessary treatment. VIA Rail has an ailment—non-profitability. The causes are outmoded equipment, stiff pricing regulations, and misplacement of maintenance centres across the country.

Mr. Speaker, I submit that the treatment ought to be assistance to procure high-speed bilevel cars for VIA Rail so that it will promote increased usage of this mode of transportation, reduce the cost of maintenance, and decrease the further drain on the treasury of this Crown corporation.

In conclusion, to pursue its present policy and to allow cuts in VIA Rail is no longer neglect on the part of the Government. It will be a prescription of deliberate poison to the distant communities of our country.

Mr. Speaker: The Chair has considered the amendment moved by the Member from Regina—Lumsden and thus finds it to be in order. Debate will resume with the Hon. Member for Mississauga West.

Mr. Bob Horner (Mississauga West): Mr. Speaker, I have listened to this debate with great interest. It is interesting to hear the ills of VIA Rail being compared with a medical disease, a diagnosis being prescribed and treatment being prescribed. With this in mind, I would like to offer my comments with regard to the illnesses of VIA Rail with concern for its ridership.

• (1300)

There is a general impression that government funding for VIA Rail is being cut at a time when the corporation's ridership figure is improving, and that VIA Rail may be turning a corner.

I will admit that ridership has indeed increased from 5.9 million passengers in 1987 to 6.4 million passengers in 1988. However, when we examine those figures more closely, we find that the 1988 ridership is only an improvement on a year-over-year basis from 1987, a year which represents the lowest ridership in VIA's history.

If one looks at the broader picture of rail passenger service in this country, one comes to the inescapable conclusion that VIA's performance has been worsening and not improving. Moreover, since its creation in 1977, VIA Rail has absorbed more than $5 billion of taxpayers' money. As we go through this debate, we have to remember that $5 billion is not a small influx of capital, as has been suggested by some speakers.

During this time the Government has made major investments in VIA to give it a fair chance to prove itself. These investments have improved service and led to savings, but never to the degree expected.

In 1987, after 10 full years of funding, the corporation experienced its lowest ever ridership level of 5.9 million passengers. A more telling comparison is between 1988 and 1981 ridership figures, since 1981 represents the year in which VIA achieved its highest ridership level of about eight million passengers. Such a comparison reveals that VIA's 1988 "improved" ridership is actually 20 per cent lower than in 1981.

The Government did make a commitment to cost-effective, modern, national passenger rail services. In doing so, however, the Government asked Canadians to share in this commitment by doing their part and take the train. This has not happened. The Government made it clear to Canadians that it would apply a "use it or lose it" approach to the funding of rail passenger services.

Since making those statements in 1984, the Government has spent more than $2.6 billion of taxpayers' money on operating and capital expenditures. That is not a small amount, as has been stated by members of the Opposition.

Despite ever-increasing subsidies, rail passenger services currently retain only 3 per cent of the total Canadian inter-city passenger traffic.

At the same time, we must remember that bus service has increased its passenger service to 6 per cent, which is double the train service; air travel has a market share of 7 per cent; and demonstrating Canadian's love affair with cars, automobiles, and trucks, those modes of transportation enjoy the lion's share of the market at 84 per cent. Those figures reveal that Canadians have a definite preference for passenger modes other than rail. They have sent a clear signal of that preference to the Government.

In light of the low-ridership levels for rail passenger services, and the Government's commitment to expenditure reduction and restraint, subsidies to VIA Rail cannot be maintained at the level the corporation is accustomed to. As the Minister of Transport (Mr. Bouchard) stated: "Canadian taxpayers can no longer afford ever-increasing subsidies for a mode of transportation with decreasing ridership". By 1988, those subsidies had reached an annual level of $641 million, which translates to an average of $100 per passenger.

A member of the Opposition stated that all passenger transportation modes are subsidized. That is true. GO Transit in my area of Mississauga, Oakville, and Milton is subsidized to the tune of approximately $1.65 per passenger. Everyone can understand that. However, when the subsidy reaches $100 per passenger, something has to give.

When presented with those facts, some opponents of the Government's decision to cut subsidies to VIA Rail point to the fact that ridership performance on some services is improving. This is indeed true for the Ottawa-Toronto route where, between 1986 to 1988, traffic has increased by 29 per cent. However, the improvements made by this service have been more than offset by poor performance on other routes during the same period.

For example, ridership has declined by 15 per cent on the Victoria-Kootenay route in British Columbia, and by 26 per cent on the Moncton-Edmundston route in New Brunswick. This declining ridership is a major factor in the climb of VIA subsidies to an all-time high of $641 million. The fact remains that on a system-wide basis, seat occupancy in 1988 has been determined to be 52 per cent. In other words, for every seat occupied there is a

seat vacant. VIA must operate its services in a more-effective and rational manner.

Therefore, faced with such low performance and the prospect of ever-increasing subsidy levels, the Government made the difficult—and believe me, Mr. Speaker, it was difficult—but fiscally responsible decision to take immediate action in light of the pressing need to control the debt and the deficit.

Accordingly, a new policy approach has been adopted for VIA and new funding levels have been established for the operation of rail passenger services. I believe it is worth while reading those funding levels into the record. They are $541 million for 1989-90, $435 million for 1990-91, $394 million for 1991-92, $275 million for 1992-93, and $250 million for 1993-94. That is one-quarter of a billion dollars that will be put into rail passenger service for 1993-94.

Through these new financial limits, VIA's management is being asked to operate in a more streamlined and cost-conscious manner within a new federal Budget reality.

To achieve those objectives as soon possible, the corporation has been directed to submit a new five-year business plan that conforms to the new Budget restraints, and rises to the challenge of providing rail passenger services in a more cost-effective manner within these constraints.

There has been much discussion about truly isolated communities. In recognition of the Government's commitment to service, for truly isolated communities which have no other year-round means of transportation, the Government has asked VIA to maintain service to the truly isolated communities along VIA's remote routes in five provinces. I believe that it is worth while mentioning those routes. They are the following lines: Jasper-Prince Rupert, The Pas-Lynn Lake, Wabowden-Churchill, Winnipeg-Churchill, Winnipeg-Capreol, Sudbury-White River, Senneterre-Cochrane, Montreal-Senneterre, and Montreal-Jonquière.

However, with the exception of protecting the services to isolated communities along the remote routes that I have cited, VIA's management has been given a considerable measure of flexibility in developing a new business plan. In preparing its new business plan, VIA will consider all possible options for operating within its budget, including productivity improvements, increased fares, abandonment of routes, service reductions on some routes, and transfer of service to interested third parties. This has not been an easy thing for this Government to have to face.

• (1310)

Let us go back to the national debt and the deficit. One hundred per cent of Canadians recognize that we have a debt and a deficit problem in this country when 36 cents out of every tax dollar collected must go to service the debt. This is a difficult situation and the Government has taken a responsible action in putting forward a plan and asking VIA Rail to submit a new five-year plan whereby it can operate more efficiently. If only 3 per cent of Canadians want to ride the trains, why should we be asking 100 per cent of Canadians to pay $100 in subsidy for each rider of the train?

Mr. Nault: Mr. Speaker, I would like to pose a question to the Member for Mississauga West (Mr. Horner). I would like to read a few quotations made during the 1981 debate on VIA Rail and ask for his impression on those quotations. They were made by the now Deputy Prime Minister of Canada (Mr. Mazankowski). The following statement relates to his feelings toward the then Minister of Transport in the Liberal Government, and it was made in October, 1981:

> He chooses to ignore the traditional process which is part of the Canadian way, the right to hold public hearings, to be heard and have an opportunity to express concern about the criteria of public convenience and necessity.

On October 20, 1981, the present Deputy Prime Minister said:

> There should be improvements in the contractual agreements between the railways and VIA Rail. We should give VIA Rail the necessary autonomy, power and clout to negotiate with the railways in a businesslike manner. The VIA Rail mandate should be clarified and enshrined in legislative form—an investment in new bi-level equipment would decrease operating costs by 31 per cent—we would not have been a country had it not been for the guarantees inherent in the provision of rail services.

The current Minister of Fisheries (Mr. Siddon) stated on October 20, 1981 in regard to energy conservation:

> This means that it is essential for people like the Minister of Transport to start talking trains and increased load factor, rather than

dismantling the system, but he must encourage the ever-increasing efficiency of our rail transportation system in Canada.

In 1985, this Government under the Deputy Prime Minister who was the then Minister of Transport presented Bill C-97 to the House, an Act respecting rail passenger transportation for first reading. It never went any further. It died. Does the Member and his caucus still believe what the Deputy Prime Minister said at the time; that is, the reason why VIA Rail is not meeting its objectives is because its hands are tied, that it has not been given the opportunity to be a successful business venture because of a lack of mandate, lack of legislation and lack of commitment by the Government of the day.

Mr. Horner: I thank the Hon. Member for his question. I am quite sure that when the Deputy Prime Minister made those statements, he felt they could be accomplished. Believe me, we have tried. We have carried on the subsidies to the tune of $2.6 billion so that VIA Rail could act in an autonomous way.

Regarding public participation and consultation, the consultations have taken place. Canadians have said they are not interested in riding the trains. Canadians have said that only 3 per cent of us want to ride the train. Ridership is dropping throughout the country.

When I was very young there was a railway to my hometown in Pontiac County 50 miles from here. It ran from Waltham, Quebec to Ottawa. It was called the Pontiac Pacific junction but it never became the Pontiac Pacific junction because it never got across the Ottawa River and out to the Pacific. So we called it the "push, pull and jerk"—the PPJ. The "push, pull and jerk" came to Ottawa every morning and went back every night. It was a great mode of transportation for the people of that day. However, we are not in the 19th century.

In the 19th century when Sir John A. Macdonald founded the railroads, they were the only mode of travel. We did not have the highways, the automobiles or the airplanes that we have today. Canadians have made a statement that 3 per cent of them want to ride the rails. Certainly there are railroad buffs in this country. I love to see a steam train but I can see them in the museums where they should be. We are moving into the 21st century. We have to make these cuts in the interests of fiscal responsibility. We hope that VIA Rail will respond and give the service it has to give to isolated communities in this country.

Mr. Laporte: Mr. Speaker, I hope the Hon. Member is not implying that VIA Rail should resort to steam locomotives for transportation in this country. The Hon. Member referred to a "use it or lose it" philosophy. Does the Hon. Member feel that that "use it or lose it" philosophy should apply to other modes of transportation in this country such as the seaways, which lose millions each year and airports? I believe the only two airports in Canada that make a profit are the Toronto International Airport and the Vancouver International Airport. If he believes in the "use it or lose it" philosophy for all modes of transportation, what approach does he think this Government should take with regard to these other modes of transportation?

Mr. Horner: As far as other modes of transportation, I know they will be subsidized. We have given a commitment and I have quoted the figures on the record of what is being given to subsidize VIA Rail to keep it going and servicing isolated communities. We will always have to subsidize certain modes of transportation.

Canadians have spoken: 84 per cent of Canadians want to travel by automobile, 7 per cent by air, 6 per cent by bus and 3 per cent by rail. If Canadians do not want to ride the trains, then why should all Canadians be forced to subsidize them to the tune of $100 for every ticket? It does not make sense. It is not fiscally responsible. Your reference to VIA Rail going back to steam trains is ludicrous. I don't believe it should, you know it and I know it.

Mr. Thompson: Mr. Speaker, I think Members on both sides of the House agree that aside from myself, the only other Member in this House who has spoken more strongly on VIA Rail in the last number of weeks would be the Member for Fundy—Royal (Mr. Corbett). We have spoken on behalf of VIA Rail for a number of reasons. The primary reason is the fact that we live in a very rural part of Canada, Atlantic Canada. We do not have the means of transportation that people in other parts of the country enjoy. Rural parts of Canada are deprived of some of the good highways and air transportation enjoyed in areas such as Ontario and Quebec and other parts of the country and larger metropolitan areas. We deserve a means of transportation that is part of our history and still serves a useful function.

We should not get lost in the numbers. There is an old expression: "Lies, damned lies and statistics". It brings home the reality of the railway. You can listen to figures until you are blue in the face, but they do not tell the real story. I am going to tell you why.

In Atlantic Canada there are only two provinces that use the railways. I believe passenger rail disappeared in Newfoundland in 1969 and does not exist in Prince Edward Island. Therefore we are talking only of New Brunswick and Nova Scotia.

• (1320)

There are approximately 1.5 million people in New Brunswick and Nova Scotia. I want to refer to the statistics to point out why they are sometimes misleading. Last year in Atlantic Canada, 224,000 people rode The Ocean with VIA Rail and 240,000 people rode The Atlantic. There are 500,000 people out of a population of 1.5 million who actually use that rail service. In my opinion, that 3 per cent figure is totally ridiculous. This is a figure that certainly justifies a need for that rail line in eastern Canada.

The other point I want to make, especially to the Minister of Transport (Mr. Bouchard) and the Member for Mississauga West (Mr. Horner), which he addressed as well, is that in certain regions of this country we need a rail line. The subsidization that the Government pays to keep that rail line going in Atlantic Canada is lower than in any other part of the country. The Ocean is subsidized to the tune of $48.86 per passenger, and it is just over $50 for The Atlantic. The subsidy for this form of transportation in Atlantic Canada is far less than the national average.

The cost recovery percentages in relation to The Atlantic Limited indicates that it can be viable. I urge the Government to give VIA the autonomy it needs to be cost efficient and I urge it not to forget about Atlantic Canada. We do need that means of transportation. It is in our roots. It is part of our history. We don't want to lose it. We will continue to use it.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, at the outset I want to compliment my hon. friend from Atlantic Canada for those very wise remarks. Those are the issues that we have been trying to impress upon his Government over the last several weeks. I hope that he is more successful than we have been in getting that message across.

I compliment him on having the veracity to do what he just did for the benefit of all those who need rail service in our country.

Today we discussed the future of passenger rail service in Canada. The future is not promising for VIA Rail, for its workers, and the families of the workers. The future is not promising for small communities which rely on VIA Rail for their livelihoods. The future does not look promising for Canadians who rely on passenger trains for their transportation needs. The future is bleak, and unless the Government accepts the challenge that it faces and meets this problem head on, the future of passenger rail in our country is on its way out. We in the Opposition and some of those on the government side, like the Member who just spoke, must convince the Government to be bold, convince it to be imaginative in its approach, convince it to develop a philosophy and concept for the future of rail transportation in this great country of ours. If the Government does not develop this concept, I fear the loss of passenger rail service in Canada.

There can be no doubt that in developing and accepting this new philosophy, we as Canadians must accept the fact that with the exception of water traffic, moving people in Canada by rail is the least expensive way, the most energy efficient and most environmentally acceptable way throughout this great country of ours. Unless we can continue to do this, the question we must ask ourselves in this debate is not whether we can afford to keep this mode of transportation, but can we afford not to have this method of transportation for the people of Canada?

Today is not the day to look at what happened in the past, 127 years ago, with respect to railroads in Canada. Today is not the day to reiterate that the Government and the Minister who spoke earlier today said less than one year ago that insofar as rail passenger services are concerned, the Government's objective for VIA Rail is the provision of safe, modern, efficient rail passenger services across Canada.

During the last federal election, the Prime Minister (Mr. Mulroney) said: "The plan is for specific capital programs to enhance the quality and reliability of VIA's services. This Government is concerned about what the removal of rail service can do to a community in Canada".

Today is not the day to draw attention to the fact that the Government held public meetings throughout the country to discuss the pricing structure that could make VIA much more competitive and viable than it is today. Before the final hearing was even held on May 1, VIA's fate had been established and determined by the Budget of April 26, and the cuts that were put in place on that date.

We should not discuss today that as late as last Tuesday we were given further indications of just what the Government's direction would be with respect to the future of passenger rail service in our country. An article in *The Globe and Mail* outlined the intent of VIA Rail's corporate plan, a plan about which we have heard so much in the House today, which was supposed to be released at the end of this month. This five-year corporate plan calls for the elimination of 48 per cent of all VIA Rail's total operations in Canada. It includes elimination of 115 regional services throughout Canada. We also learned the plan includes the elimination of 22 routes, bearing in mind that there are only 36 routes in all of Canada. These include the elimination of four in western Canada, four in Quebec, seven in Ontario and seven routes in Atlantic Canada, unfortunately another blow to that region.

This plan cannot be denied by the Government. Paul Raynor, VIA Rail's chief of media communications, confirmed yesterday that that was the plan and the information contained in *The Globe and Mail* article was indeed accurate.

If this was not enough to convince Canadians of the fate of passenger rail service, the statements of the Minister of Transport (Mr. Bouchard) on Tuesday provide ample evidence of the Government's vision of transportation services in our country. He said in the House that he would not give any commitments or guarantees regarding the future of VIA Rail. He then said outside the House that he would consider shutting down VIA Rail in its entirety if that is what the future for VIA Rail would be in its corporate plan.

How can the Government suggest that it is willing to give consideration to a proposal recommending the elimination of passenger rail service in our country? In good government, corporate plans are not created in a void. This corporate plan is being created in a void, without the input from all the experts on the government side and those people who work in Transport Canada.

Political direction must be given and I intend to use the balance of my time today to talk about the political motivation and where we should be going. Let us look at what the future holds for passenger rail service in Canada if we can develop a strong political leadership and develop a vision. Unfortunately, the Government does not have this vision, nor does it have the strong political leadership. The Government offers no alternatives to the position of closing out VIA Rail.

I have a very good friend, Dr. Tom Heringer, who has been a railway buff all his life. I talked to him last night about this very serious problem for Canada and he informed me that this is no longer a sentimental issue about railways in this country.

• (1330)

He said that if the rail system fails in our country, we will lose the link which keeps and has kept Canada together. It is a reason Canada grew from east to west, not north to south. It was one of the main reasons why Canada became a confederated nation. We stand the chance of losing the unity in Canada if we proceed on this road.

To even consider the elimination of VIA Rail shows once again complete disregard for rural and small town Canada. The small and rural municipalities which will be most severely affected by cuts to VIA Rail were not consulted by VIA Rail's master plan. The 2,500 VIA Rail employees who will lose their jobs were not consulted before this master plan took effect.

I ask, Mr. Speaker, if this shows that this Government is truly compassionate in its nature. The Conservatives will say, and naturally so, what would the Liberals do if they were faced with this problem? I say to them that this is not a Conservative problem, an NDP problem or a Liberal problem. This is a problem that faces all Canadians today.

First, let us look at what we have to build on. We have railway routes in all of Canada. We have the tracks and railbeds which are in good condition. We have railway stations. We have a competent and qualified workforce. We have the passengers who want to use the system. What is lacking is the political will, the leadership, the desire and the vision.

Let us be constructive and give the plan to this Government. For a start, I would like to say that the first thing we must do is reactivate a Bill from 1986 called Bill C-97, which gave VIA Rail the opportunity to run its own affairs, a Bill that would have unshackled the hands of VIA and let it run its own affairs like all the airlines were given in Canada.

Then we must look at our resources to provide the only thing that VIA lacks, which is modern equipment to do a good job. How could one imagine Air Canada running today if it were shackled like VIA Rail is shackled and still trying to operate the airlines in our country with DC-3 airplanes?

In Canada we have the facilities to make state of the art engines in London, Ontario. In Montreal, Kingston and Thunder Bay we have facilities to make railway cars. We have enough facilities to manufacture state of the art railway cars. In my riding, we can produce these cars.

I would like to say that if we have the will, the desire and the plan in place, we as Canadians can proceed and make VIA Rail a viable, economic railway for Canada for the next 100 years, as it was in the past.

Mr. Deputy Speaker: On questions and comments, the Member for Scarborough Centre.

Mrs. Browes: I would like to refer the Member to his comment here today that we need a plan of action. I would just like to make reference by way of comparison to a plan of action which this Government put forth in 1984-85. This Government said to Canada Post, which was running at a tremendous deficit, that we wanted a plan of action for them to balance the books by 1988-89. At that time, Members opposite were screaming about this, that we were going to be reducing our postal service and that this was going to be the end of the Post Office. We stuck to our guns and said we wanted to balance the books in Canada Post by 1988-89. It was a challenge that we put forth to Canada Post. What has happened in those four years is that Canada Post, in 1988-89, has balanced its books.

What we have here, in relation to the financial situation of Canada, is that we have set forth the challenge to VIA Rail to bring forth a plan of action in order to reduce the subsidies, to reduce the dependency that VIA Rail has on the Canadian taxpayer. We have set out and said to VIA Rail that these are a few parameters by which we want to reduce the subsidies to "x" number of dollars, and we want them to bring back a plan of action.

I believe that is a very reasonable approach, in light of the Budget restraint that we must put on ourselves and the Canadian taxpayers for the future of Canadians. I ask the Member why he believes that this plan of action, of putting this challenge to some very knowledgeable people who have been working in VIA Rail, would be an unreasonable approach?

Mr. Comuzzi: Mr. Speaker, I welcome that question from the Hon. Member. I thought for a while that we were talking about Canada Post today, rather than VIA Rail. If she was listening to my remarks, I did say what this country needs. If we are going to have VIA Rail continue as a viable entity within our country, it is exactly what she stated; a plan of action.

I say to her that Bill C-97, which received first reading on February 24, 1986, was a Bill designed to keep VIA Rail completely free and to unshackle its hands so that it could operate properly and would not have to go to the National Transportation Agency every time it wanted to change its salary structure or rate structure. It did not have to go to the National Transportation Agency if it wanted to change the cups that it served in its dining cars. It would have its own board of directors. It would have its own management philosophy. It would have its own methodology by which to run a viable transportation system in this country.

That Bill went nowhere, at the fault of this Government. I would suggest to the Member that that was the start of the continuing demise of VIA Rail's future in our country. Without that type of legislation, and if she will recall my speech I said that the first thing we have to do if we want VIA Rail to be viable in this country is to first accept Bill C-97 or its replacement and unshackle the hands of VIA Rail so that it can operate independently.

The second thing we have to do is take a look at the assets that VIA Rail has. I went through the good trackbeds and the stations that we have and the people in our workforce who are working for VIA Rail. There is a lot there to build on. All we have to do is go to those facilities which we already have in Canada, the railway arts in London, Ontario, which can produce state of the art engines, or to Kingston and my own plant, Can Car in Thunder Bay, which make state of the art railway cars and produce subway cars for the world. They are esteemed for their quality. The Go-Train cars, the double-

decker cars. I have talked to those people and they can convert those double-decker cars for long term use.

If we do that and adopt some sound business plans which Bill C-97 would give VIA Rail, so that they can buy this equipment and depreciate it like every other normal business in Canada over a period of time, would allow them to use the cars for 20 to 30 years. It would be a viable business. However, they need the opportunity.

Perhaps with that question, our hon. friend would support us in the proposals which we are making for the future of VIA Rail in our country.

Mr. Deputy Speaker: Resuming debate with the Hon. Member for Hamilton West.

Mr. Stan Keyes (Hamilton West): Mr. Speaker, I would like to draw to the attention of Canadians that when we speak of transportation, this country has depended upon leaders with vision. It cried out for a government with a vision to the future and created a blueprint for the future. Instead, where do we find ourselves? We find ourselves led by an arrogant, irresponsible government with the "use it or lose it" attitude.

I would like to state from the beginning that thanks to this Government Canadians are about to lose the lifeline which weaves its way through countless small communities across this great land of ours. Canada is a country that can pull together, and pull together we did when we realized Sir John A. Macdonald's national dream. This resulted in connecting our country from east to west and from sea to sea, and is essentially the reason why we are here today.

• (1340)

This Government is now prepared to do away with VIA Rail at a time when it is still the primary source of transportation for thousands of Canadians. Rail transportation is no less important today than it was 100 years ago. The railway system was created not as a luxury for the people but for quite the opposite. It was seen as an inalienable right of Canadians to travel on a rail system that was theirs and would become part of their heritage. So it has become part of our heritage. However, not as the antiquated system from yesteryear, as the Government has allowed it to become, but as an extremely viable and important part of our transportation network.

For many people, train travel is a major mode of transportation for several reasons. The main reason, of course, is obvious. For those who cannot afford the costly price of an airline ticket or the cost of insuring and maintaining a family automobile, the train is the most practical and affordable way to travel. Of course, for many others airports are far too far away and if they do not have a car how are they even to get to the airport? For many communities at present, if it were not for trains living in remote or rural areas might otherwise be impossible. Travel by train is then a necessity, not a luxury.

The Government is committed to removing itself from the responsibility and duty of providing Canadians with rail service. As I have already stated, Canadians have the right to expect that the Government provide them with rail service instead of leaving them in the lurch to the dictates of the market-place where they will have to shell out large sums of money for either air or ground transportation.

Not only have Canadians been misled by the Government regarding certain commitments made in the last election, they have been misled regarding commitments made to VIA Rail. In 1987 the then Minister of Transport stated, "Over the next five years we will be spending over $2.5 billion on VIA Rail". Less than 24 months later the Government is announcing cuts to VIA Rail by hundreds of millions of dollars.

Realizing that many people rely on VIA Rail for transportation, the Government says it is too expensive to justify. In light of that reality, the Government should attempt to deal fairly with the Canadian public and VIA Rail on this very sensitive issue.

There are many things that the Government should be doing with VIA Rail but it is more concerned with abandoning it. For example, if it is the almighty buck that the Government is truly concerned about, then allow VIA Rail to set more competitive rates rather than allow the National Transportation Agency to set limits on the price of a ticket. Just as VIA Rail is due to submit a financial plan regarding the future of the corporation, the agency's chairman, former Deputy Prime Minister Erik Neilsen, has suspended hearings into VIA's pricing policy, an extremely vital process for the viability of the

corporation. The Minister of Transport (Mr. Bouchard) himself concluded that the report of the hearings would form a part of a comprehensive reassessment of VIA Rail.

Not only would the loss of VIA Rail be devastating to small rural communities in terms of tourism and trade, but it would result in the loss of thousands of jobs. Mr. Tom McGrath, head of the largest union inside VIA Rail, estimates that 2,500 of VIA's 7,000 employees will lose their jobs as a result of the elimination of lines. A leaked VIA business plan obtained this week by *The Globe and Mail* estimated the job loss figure to be closer to 3,500.

In Moncton, New Brunswick, 1,200 jobs were lost in 1988 because CN closed its repair shops. The elimination of VIA routes would mean the city would lose another 200 jobs, plus $20 million in spin-offs. It is in small communities such as these where workers are being forced by the Government into unemployment insurance lines when they would rather be working on the railroad all the livelong day.

As well, the business plan calls for the total elimination of regional services such as routes from Toronto to Niagara Falls. Again, if such lines are not profitable, why not simply reduce the number of runs per week but keep the lines open for those who really need them instead of calling for their total eradication? In fact, the Government at the very least should have taken the lead from countries such as Britain and France and implemented high-speed trains in the major corridors.

Would it not be wonderful to hop on the train in Montreal and take it to Toronto in just two hours? Major corridor routes would be the answer for high-speed trains.

The next point I would like to address is in relation to subsidies. It is not only VIA Rail that operates with subsidies. We have heard it in speeches before this one. Airlines and bus companies have also operated on a subsidy basis. The federal Government contributes significant funds to these modes of transportation, although indirectly. For example, many buses operate on a subsidized basis because the roads on which they travel are for the major part subsidized by the Government. Each year the federal Government contributes $6 billion to road construction and repair. If VIA Rail were to be eliminated, heavier usage by buses and other vehicles would dramatically and certainly increase this $6 billion figure.

Airlines receive a similar indirect subsidy. This Government not only subsidizes Canadian airlines but it allowed Boeing to purchase de Havilland at a steal. What the airlines receive is the ability to fly in and out of Canadian airports with the assistance of government-paid tarmacs, terminals, hangars, navigation and weather equipment essential to do their business.

If Canadians cannot travel by train, then what is their alternative? The Government tried to answer that question a few years back when it announced the deregulation of the Canadian airline industry. Canadians know all too well the problems with regard to air transportation under this Government. Deregulation and privatization has meant not only relinquishing what used to be the public domain, but has also meant an abdication of authority and responsibility by this Government for transportation.

In the Main Estimates for Transport Canada are included great expenditures which I am sure the Government could get around and perhaps pass on to VIA Rail. For example, at Pearson International the estimates include an additional duty-free outlet at a cost of $572,000, upgrading of floodlights at a cost of $858,000 and a long-term development study at a cost of $402,000. These three features alone total some $1.8 million.

The point I am trying to make is that while it is acceptable to preach fiscal responsibility, it is contrary to the principles of fairness that Canadians should be led to believe another thing.

I see you signalling me that my time is almost up, Mr. Speaker.

Yesterday, the Right Hon. Leader of the Opposition (Mr. Turner) stated that Amtrak is purchasing 100 passenger cars from Bombardier in Quebec. The catch, of course, is that the purchase is being partly financed by the Export Development Corporation, a corporation of Her Majesty. Why is it that when it comes to an American company operating the same mode of transportation the Government is thinking of phasing out in Canada, it can find Canadian taxpayers' money to finance the operation?

In closing, the strength of our national community is under siege from an arrogant, uncaring and irresponsible Government. I am concerned that 75 years of effort to build a strong, unified federal foundation is crumbling under the destructive policy actions of this Government.

Mr. McDermid: Mr. Speaker, I know the Hon. Member for Hamilton West (Mr. Keyes) would not want to leave the impression with the people who may be watching the debate or reading it down the road in *Hansard* that the Toronto International Airport is having changes made to its structure as a result of grants being handed out to it. It is well known, if the Hon. Member were to be frank with the House, that Toronto International Airport is a profit centre. Those expenditures, of course, come from the moneys earned at the airport through landing fees and other charges to the various airlines for the facilities they use there. I know he would not want to leave that hanging and that he would want to make sure that it is understood by those watching this debate today.

Mr. Hovdebo: Who built it?

• (1350)

Mr. McDermid: The Government did. Do you know what is going on there now? The new terminal is being built by the private sector. It is not the Government that is putting the money into it and it is working well. The terminal is going up very, very quickly. We look forward to it being opened next year.

Let us get back to VIA Rail, because that is what we are here to talk about today. The Hon. Member said that the Government was arrogant and irresponsible. When we were elected to office, one of the things that was said to me by the electors in my community of Brampton, time and time again, was to take a long hard look at the expenditures of Government and see where you can manage the business of Government much better. When you have a company that is under the aegis of the federal Government, costing the taxpayer hundreds of millions of dollars, I believe it is incumbent upon the Government to examine that, to see if we can improve that situation. Because of the changes that we are going through in our economy and in the structures of managing Government, it is incumbent upon us to examine these things.

Does the Hon. Member think it is arrogant and irresponsible for a Government to look into a company to try and improve the situation where every passenger, whether he or she is travelling from Brampton to Toronto or Toronto to Vancouver, is being subsidized by $100? Is that irresponsible and arrogant?

Mr. Keyes: I am not sure whether I even want to thank the Member for his question, Mr. Speaker, because, yes, it is arrogant and it is irresponsible. It is arrogant and irresponsible when a Government outlines its fiscal plan in a Budget in April in which massive cuts by millions of dollars to rail passenger services in this country are laid on the table before a report, at the cost of $4 million to the taxpayer, is even presented to that same Government. Certainly that is irresponsible, Mr. Speaker, absolutely irresponsible.

The Minister speaks of the Toronto International Airport as well, Mr. Speaker, the terminal building built there. You know what the Government's game plan is. The Minister of Transport (Mr. Bouchard) says, "Well, now we are considering, since there is a terminal there, maybe we should put a third or a fourth runway there as well." Isn't that terrific? Is that going to ease congestion?

Mr. McDermid: Are you opposed?

Mr. Keyes: Is that going to create more traffic on highways 427, 403? You are darned right it is going to create more traffic. Talk about congesting a congested situation, Mr. Speaker, it couldn't become worse. It just couldn't become worse. The Government has spent all that money—

Mr. Corbeil: Are you opposed?

Mr. Keyes: I am opposed to it because I have for you, sir, a beautiful alternative, a fiscally responsible alternative. We have spent some $50 million odd at upgrading an airport at Hamilton and the Ontario Government has committed itself—it had the vision—to $61 million in road access to that airport. Now here is a vision for you, Mr. Speaker. Can you imagine Hamilton Airport as the alternative to Toronto Pearson International Airport, with an expenditure that would be fiscally responsible? And now, which is set in motion, are the high-speed trains to run between Windsor, bypassing Hamilton Airport, to Pearson International Airport in Toronto, someone could get off his international flight and if a connection has to be made, he hops on a 150-mile an

hour train and he is in Toronto in no time. Is that not visionary, Mr. Speaker?

Mr. McDermid: Where do you put it?

Mr. Keyes: The Minister of Transport (Mr. Bouchard) has not invited me to his office to hear me out. I can understand that. The Government has a plan. When we consider not only the situation with the airports and not only the consideration of the rail passenger service in this country, Mr. Speaker, can you imagine, up come all those trains and all those passenger routes? What is a person to do? Should he jump in the family car? How many millions upon millions of more cars—

Mr. McDermid: Not very many.

Mr. Keyes: —are going to be on our highways, putting out all this carbon monoxide. It is horrible.

Mr. McDermid: Only 3 per cent take the railway, 84 per cent are in cars now.

Mr. Deputy Speaker: The period for questions and comments has expired. I recognize the Hon. Member for Scarborough Centre on debate.

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, I rise today to voice my support for the Government's decision on VIA Rail.

Mr. Comuzzi: What decision?

Mrs. Browes: As my colleague, the Minister of Transport (Mr. Bouchard) has stated, Canadian taxpayers no longer can afford to pay the ever increasing subsidies to VIA. Last year these subsidies reached an unprecedented $641 million. This represents an average of $100 for each passenger who boards the train.

Mr. Nault: That is not true.

Mrs. Maheu: Talk about the facts.

Mrs. Browes: Subsidies have escalated and the number of passengers has declined. This trend began in the 1950s and 1960s as travellers abandoned rail in favour of other modes of transportation. The number of passengers travelling on rail has declined by about two-thirds since a post-war high in 1947.

Each of us in this Chamber has memories of riding on the train. In 1947 my father was a Member of Parliament and I have very fond memories of taking the train with my parents to come to Ottawa to see my father speak in the House of Commons. It was a short trip. It was only from Cobourg Station in Ontario to Ottawa, but it was a weekly trip that my father took.

When we think of memories we think of just 50 years ago, in 1939, when the late King and the Queen Mother travelled across Canada by train. The Queen Mother, of course, is commemorating that trip by returning to Ottawa on July 5 this year. There will be a very fine reception on the front lawn of Parliament Hill. I invite all Canadians to be with the Queen Mother on July 5 to commemorate the occasion of that trip of 50 years ago.

We as Canadians and as Members of Parliament share those memories of another day. Times have changed. We have to look at the present and look to the future.

In recognizing the problem as early as 1961, a royal commission on transportation recommended drastic rationalization of rail passenger services. Rationalization has been effected over time but clearly, with VIA subsidies at such alarmingly high levels, further measures are indeed needed.

This poor performance is despite expenditures of about $5 billion since VIA's creation in 1977. Of this amount, more than $1 billion went to capital investment in an effort to improve the quality and reliability of VIA's services. Of the $1 billion, more than $600 million has been spent since 1984 on major capital programs. For instance, this Government funded the purchase of 59 new high horsepower diesel locomotives for assignment to the transcontinental routes. The delivery of the first order was completed last summer and the delivery of the second order is under way. The Government also has approved the modernization of up to 100 train cars in the transcontinental fleet. These cars will receive new electric heat and air conditioning systems in order to make it more pleasant for passengers. This will restore the cars to like new conditions.

• (1400)

The construction of a network of equipment maintenance facilities across the country is almost completed. Facilities at Montreal and Toronto cost more than $200 million. They are state of the art in an effort to improve operational efficiency and cut the high cost of maintaining equipment.

Station and track improvements were also approved. For instance, track upgrading between Toronto and Ottawa allowed journey times to be reduced to four hours instead of the five hours that it was.

The investments that are already in place did not, however, yield lower subsidies as had been expected. The Government did its part and VIA did its best to improve the delivery of its product, but the fact is that people did not take the train. Canadians demonstrated their preference for other means of transportation. In fact, rail passenger service represents only about 3 per cent of all inter-city passenger travel in Canada.

While some have pointed to an upswing in VIA's performance in 1988 and suggest that now is not the time to cut VIA's budget, the reality is as follows. While VIA's ridership did increase by 10 per cent and revenues went up by 13 per cent in 1988, the 1988 ridership increase is being compared to 1987 when ridership plunged by 7 per cent to its lowest level ever of 5.9 million passengers. Ridership in 1988 is in fact almost identical to 1986 and 20 per cent less than was the case in 1981.

Revenues for 1988 did increase by 13 per cent, or $27 million. At the same time, operating costs increased by 15 per cent, or $94 million.

The result was the Government subsidies to VIA for its operations alone had to be increased by $68 million in 1988.

This means that for every additional dollar earned by VIA in 1988, the Government at the same time has had to disburse an additional $2.62. Clearly, the Government had to take action.

The decision to reduce the subsidy was a difficult one. It was an unavoidable one.

Mr. Keyes: It was irresponsible.

Mrs. Browes: It was a very responsible one. There was the example that I just mentioned a few minutes ago. It was a very responsible action to have Canada Post put forth a business plan. At the same, time we have asked VIA Rail to put forth a business plan. We are looking forward to receiving it in the very near future.

To demonstrate its commitment to expenditure reduction and restraint and to a new regime for passenger rail service in this country, the Government has decided to significantly reduce the subsidy it pays to VIA Rail from 1989-1990 onward.

VIA's tough but challenging budget limits are $541 million in 1989-1990; $435 million in 1990-1991; $394 million in 1991-1992; $275 million in 1992-1993; and $250 million in 1993-1994. These limits will yield savings of $500 million during the next five years.

VIA has been asked to submit a new business plan by the end of June. It is to set out the course of action with respect to the new Budget realities. In preparing its plan, VIA will consider all options to reduce its losses. Those options could include productivity, improvements, increased fares, abandonment of routes, service reductions on some routes, as well as the transfer of services to third parties.

Under any option, VIA has been directed to maintain service to truly isolated communities along nine remote routes in British Columbia, Alberta, Manitoba, Ontario and Quebec. Such VIA remote area routes are Jasper-Prince Rupert; The Pas-Lynn Lake; Waboden-Churchill; Winnipeg-Churchill; Winnipeg-Capreol; Sudbury-White River; Senneterre-Cochrane; Montreal-Senneterre; Montreal-Jonquiere. Those are the routes that have been set out as being on truly isolated lines and should be maintained.

There have been no decisions taken yet about the future of any other VIA routes. At the same time, no options have been eliminated. The only constraints placed on VIA are to provide service to truly isolated communities along the remote routes as I have mentioned, and of course to live within its new budget.

The Government is anxiously awaiting VIA's business plan. I am sure they are working on it even today. On the basis of VIA's business plan, the Government will decide how best to proceed.

I support the Government's decision. Clearly, VIA's operations must be rationalized because of the huge burden they impose on Canadian taxpayers. The Government is acting in accordance with sound fiscal management and sound transportation policy consistent with costs and indeed consistent with usage.

Ms. Hunter: Mr. Speaker, I want to make a comment on the Budget cuts to VIA Rail and announced cancellation in VIA Rail's service on Vancouver Island.

Just three years ago, VIA opened a beautiful new station in Victoria. It is a heritage station that is a credit to the whole community. Now that service is going to be cut.

The effect of that cut is going to be very detrimental on all communities between Victoria and Courtenay. It will have a particular effect on the beautiful little town of Chemainus, which has been reborn as a tourist attraction. It is only about an hour train ride from Victoria, which has its own tourism base. That train provided many opportunities for tourists to access Chemainus.

It also will have a detrimental effect on the towns of Parksville and Qualicum. There are beautiful beaches there. Tourists take the train there. It will have a detrimental effect on Courtenay where the resort community of Mount Washington is. That is a ski resort. All these communities will be affected negatively.

The Government's response to this is that the usage is down. I can tell you why usage is down. It is because previous cuts to VIA Rail has reduced access to the ticket office. The ticket office is only open for two hours each day. During those two hours the line-ups are 50 feet long. People want to use the train, but the Government will not let them.

• (1410)

What is the Government going to do about the communities on Vancouver Island that will suffer the negative impact of the cuts in service? What is the response of the Government to effectively cutting the service so that there is no access to the ticket offices?

Mrs. Browes: The Hon. Member mentioned heritage sites. Canadians can be proud of the beautiful heritage site train stations across the country. Having worked in the Ministry of the Environment for a number of years, I had an opportunity to have some of those train stations designated as heritage sites. Indeed, if they are not being used as train stations, they are being preserved and used as historical sites that many of us can visit and use in other ways.

In relation to operating subsidies that the Member speaks about, I would like to draw to her attention some statistics about operating subsidies that the Government of Canada has put forth in relation to VIA Rail.

In 1984 the operating subsidy was $458 million. In 1988, the operating subsidy was $509 million. The Hon. Member asked the question, but did not wait to hear the answer because she has already left the House. I am a little surprised that a Member would ask a question and within two minutes after—

Mr. Deputy Speaker: I would ask that the Hon. Member not comment. There could be any reason why the Member may have left the House, perhaps to go to a committee, or for another reason and it should not be commented upon.

Mrs. Browes: The actual operating subsidy for 1988 was $509 million. Therefore, Members can see that even in the last four years there has been a remarkable increase in the amount of operating subsidies.

As far as capital payments are concerned, in 1987 they were $181 million; in 1988 they were $126 million. We have tried very hard to make this operation work. VIA has tried very hard to make this operation work. The fact is that we cannot turn back the clock and say that everyone should take the train as they did 100 years ago, or as they did in 1947.

Mr. Deputy Speaker: The Hon. Member for Saanich—Gulf Islands on a point of order.

Ms. Hunter: It may be of interest to the House that the reason I had to leave was that I had a long-distance phone call awaiting me. I was listening on the TV monitor to the response of the Hon. Member.

Mrs. Browes: I know the Hon. Member represents a riding in British Columbia. I do appreciate her returning to the House at her first convenience. I hope she does keep in mind the statistics to which I referred, and the actual increase that has taken place in the last four or five years under this administration and the amount of additional taxpayers' money. Even though we have put forth this additional amount of moneys, at the same time the ridership has decreased.

We have to look at reality. Members opposite have to look at the reality of the wishes of people. They want to travel by road and by airplane. They want to travel by means other than trains. As much as we like the idea of taking the train, as much as we have our memories that this is a wonderful way to travel across Canada and see the beautiful geography, the fact is that people are not taking the train.

Mr. MacDonald (Dartmouth): I listened with a great deal of interest to the Hon. Member for Scarborough Centre (Mrs. Browes) as she eloquently tried to talk about the complete dissection and gutting of a piece of national infrastructure. If it was not so laughable, I would have been yelling across the aisle.

One of the things I find despicable in the policy of the Government is how it has intentionally misled Canadians about the future of VIA Rail. I want to remind the Member opposite that in 1985 the then Minister of Transport, currently the Deputy Prime Minister (Mr. Mazankowski) stated: "It is now time to turn VIA into a strong system that is cost effective, national in scope and one which Canadians will be proud to use".

Earlier this year the Government decided, for some strange reason, that there needed to be an inquiry into the pricing structure of VIA Rail to find out whether or not it was lessening competition with the bus lines. This was conducted, even though two or three previous investigations by the NTA had found out that the pricing structure of VIA Rail had no negative impact whatsoever on the profitability of the bus lines. Therefore, the Government set about having, I suspect, a multimillion-dollar task force to go across the country and ask Canadians: "What do you think about VIA Rail? What do you think about its pricing structure?"

I want to remind the Hon. Member opposite that the Chairman of that task force was a former Member of this House, a former Deputy Prime Minister, Mr. Erik Nielsen who, in September, 1985 chaired a task force of the Hon. Member's Government.

That task force had already decided on the fate of VIA Rail. The task force stated: "Until the long-term future of its existing services is determined, postpone major capital investments in new equipment for VIA Rail other than that which is essential for transcontinental and remote services". It had already decided to have a self-fulfilling prophecy with VIA Rail. It had already decided not to invest the moneys necessary in order that Canadians could travel in comfort and on time in VIA trains.

The task force also recommended the following for cost recovery: "For the transcontinental services, a cost-recovery target of 60 per cent is to be achieved by the end of 1988 with a reduction in frequency of service where this target is not met." The decision was made long before the task force was ever set up to go about and deceive the Canadian people and pretend that they would have some input into the decision of the Government on the future of VIA Rail.

In essence, we have a government report which suggests that the major capital investment needed to decrease the operating costs be postponed, and that an ultimatum be issued to increase revenue to 40 per cent of the cost or the federal Government was going to pull the rug out from underneath.

In the actions of the Government, what I find particularly disgusting is that it intentionally tried to tell Canadians that things were other than the way they were. It set up a task force which appeared in the Halifax-Dartmouth area. That task force was chaired by Mr. Erik Nielsen, the man who wrote the infamous document which is the death knell of VIA Rail. When the task force appeared in that area, it gave the impression that no decisions had been made.

I want to ask the Member opposite how she can justify the Government setting up this phoney task force for this sham across the country to deceive people on VIA Rail when the Government had already made its mind up to dispose of VIA Rail?

Mrs. Browes: The Member opposite started his remarks by quoting a person I believe to be one of the most outstanding individuals in terms of transportation policy in this country. The Hon. Deputy Prime Minister of Canada was the Minister of Transport. That was quoted in 1985, and I appreciate those comments made about the Minister at that time. But the difference between this Government and the administration prior to 1984 is this: Everything was stagnant, remaining the same, doing things the old way. What we have done is to take a look at things in a new way. That was 1985. Things have changed. There has been a lot of water under the bridge since then. We are responding to Canadians instead of burying our heads in the sand and doing things the same old way. That is why in 1988 the people of Canada stuck with this Government. For the first time in 100 years, a Government was re-elected with a majority government. That is a remarkable accomplishment.

• (1420)

I am just surprised that the Member opposite would be quoting from five years ago and thinking it relevant to 1989. We are in a fiscal position that we must look at in a different light in order to balance the books down the line for future Canadians. We will respond to the way

people of Canada want to use their transportation facilities.

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, I am pleased to rise today to tell Canadians what this Government has not been telling them, that the country's passenger rail service is in jeopardy and will be extinct in a short while like some animals we know. This Government has shown again that its priorities are misplaced.

We keep referring to this country's first Prime Minister because it is very important to go back into history, as the Member opposite has done, to show there was a dream. Individuals in this House are here because they have a vision and a dream of their own. His dream was to link this great land of ours from sea to sea. Surely Mr. Macdonald is turning over in his grave today with the realization that his own Party is destroying his dream of a national railway system. The railway industry has long been seen as a strong symbol of national unity. With one swing of the budget axe, Canada's strongest symbol of unity is being destroyed.

Many towns and cities were built around the railway industry. Whole communities were developed to service the thousands of workers on the rail line. Small businesses, hotels and restaurants sprung up almost overnight to cater to the needs of the railway workers. The national railway system contributed to the development of western Canada. How can this Government ignore the fact that Canada emerge as a great nation as a result of the railway industry?

Canadians learned this week that VIA Rail's corporate plan for 1989–1993 recommends that some 22 routes be eliminated, six routes will see reduced service and only six of the remote routes will be left untouched. The Minister of Transport (Mr. Bouchard) says he is willing to contemplate shutting down VIA Rail's passenger service. This Government continues to ignore the fact that ridership has increased. It continues to ignore the fact that VIA Rail's profit margin has increased and that a reversing trend after two years of falling performance has begun.

It is quite clear to Canadians that this Government continues the trend of not being up front with them. Prior to the November 1988 election campaign, the Prime Minister (Mr. Mulroney) promised to enhance the quality and reliability of VIA Rail service. Once again the Government has gone back on its word. Canadians know that this Government cannot be believed or trusted. What we have here, as I have said on numerous occasions in this House, is yet another broken promise.

The elimination of the transcontinental railroad between Montreal and Sudbury and Toronto–Winnipeg–Calgary cuts right through the heart of northern Ontario and more specifically northwestern Ontario. Many small rural and remote communities depend heavily on passenger rail service to get to major centres. Three towns in my riding will be adversely affected. The towns of Ignace, Dryden and Kenora will no longer have passenger rail service under this proposed plan. These towns will lose approximately 50 jobs as a result. The Minister may say 50 jobs is not a significant number. But 50 jobs in small town Canada is equivalent to at least 500 jobs in a major centre. How many more jobs will be lost as a result of these measures? What will the Government do to ensure that workers in the railway industry will have a job in the near future?

The Town of Ignace is a one–industry town. The Lion Lake Mine will be closing its doors soon, putting many people out of work. Now the Government is slapping this already depressed area in the face by eliminating passenger rail service. The future of the Town of Ignace is questionable. The town council is working hard at diversifying its economy but the elimination of passenger rail service through Ignace undoubtedly will hurt.

This Government is closing the door on northern Ontario. It is telling the people of northern Ontario that it is not prepared to do business, nor is it prepared to protect what is left of this region. Residents in my riding and throughout the whole northern region of Ontario now understand why the Prime Minister failed to appoint a cabinet Minister from northern Ontario. This Government is not committed to regional development.

The Minister of Transport stated recently that the federal Government is considering spending more money on highways to offset budget cuts to the passenger rail system. There is no doubt that roads in northern Ontario need upgrading. As my learned friend beside me will tell you, the Trans–Canada Highway between Winnipeg and Ottawa is in bad need of repair. It should be four–lane from at least the Manitoba border to Thunder Bay. How long will residents in northern Ontario have to wait to see their roads upgraded? Considering the record of this Government, I hate to hold my breath because I

don't believe I will be around. This is going to be another broken promise.

The Government could have chosen alternatives. Let me outline a few. VIA Rail has been paying CN and CP to support infrastructure costs of the freight rail system. In the last four years, VIA paid over $1 billion to these two railway companies. VIA has managed to reduce this figure to $100 million a year by taking over the maintenance of its own equipment. It seems to me that the Government could have introduced legislation which it did start to introduce in 1986 but it died where it was after first reading. It would have allowed CN and CP to forgive this annual payment given that the rail industry in this country is subsidized by the taxpayers. This initiative would have given VIA Rail the needed revenues to upgrade its equipment and its service.

Services have already been reduced in my riding contrary to what the Minister has been saying. The Sioux Lookout train which is in one of the most remote areas in northern Ontario has been reduced to two days a week from three days per week. Sioux Lookout is located in northwestern Ontario and serves as the focal point for many of the native communities which can only be reached by air. Many of the residents in these native communities fly to Sioux Lookout and travel by train to points south.

There are many communities in my riding which are not served by ground transportation at all. The only link to the outside world is by train. Communities such as Valora, Allan Water and many others will no longer have access to passenger rail. There are no roads linking these communities. Are they destined to be cut off from the rest of Canada? For many of the communities that have small air strips, there are no commercial flights servicing them. How can this Government justify cutting passenger rail service to these communities?

The only alternative for many residents of northern Ontario is to travel by train. Many students travelling to and from universities use passenger rail service. Many senior citizens travel by train given there is no bus service between communities in northwestern Ontario. How does the Government expect these people to get around? Many of my constituents cannot afford the luxury of flying. Furthermore, the Minister of Transport has done nothing to alleviate their concerns over air safety in our region.

The Minister and Prime Minister are saying that Canadians are not using VIA Rail. Nothing could be further from the truth. Recently a constituent called my office to complain that he has not been able to get a reservation to head north because the trains were booked solid. Canadians are using VIA Rail. So why are they going to lose it? There is no justification for the harsh measures announced in VIA Rail's corporate plan.

• (1430)

The National Transportation Agency was holding public hearings across the country to review VIA Rail's pricing policy. These hearings have now stopped as a result of the Government's measures. The Government has a knack for putting the cart before the horse. It introduced legislation on a new accident investigation board before waiting for the results of the judicial review of the Gander crash and the judicial inquiry into the Dryden crash. It announced policy revisions to the Indian and Inuit Post-Secondary Assistance Program before consulting with the Indian people of Canada.

The elimination of VIA Rail's passenger service in this country is a national tragedy. The one link holding this country together from coast to coast is being dismantled piece by piece. If the Government proceeds with this plan, Canada's century old railway industry will be destroyed. Sir John A. Macdonald's vision of a national railway system will be forever lost in a fog of Tory mismanagement and unwillingness to understand what really is important to Canadians.

I suggest to Members opposite that they give this business a viable chance. There is legislation that could be put into place, and there is a legitimate opportunity for a railway system to work in Canada. But it needs the political will of the politicians to allow it to have a plan that will be effective and cost efficient.

In the last 20 years we have seen nothing of the sort. VIA has not had a chance from the beginning. We know that 60 per cent of Canadians are dead against the Government's proposal. They are in favour of trying to establish a plan for this very viable mode of transportation. If we do that, as parliamentarians, I think Canadians will accept it. They will start to use those trains if

they become reliable and efficient as they should have been many years ago.

Mr. Thacker: Mr. Speaker, does my hon. friend opposite know how much capital it would take to put VIA Rail into that superb world-class condition that he and members of his Party talk about? What does a high speed line between Windsor and Quebec City mean in terms of a dedicated track, with underpasses and overpasses and so on? Where does he propose to get that money?

Of course, there are many competing demands. We need more money for research and development, for education, and for other modes of transportation. Is it the official Liberal policy that they would borrow that money and add it to the yearly deficit, therefore the national debt?

Mr. Nault: Mr. Speaker, I know that is the official Tory line these days. It is the deficit, and to heck with the regions of Canada.

It is interesting that the Member asked the question. I might say that I am surprised that Members from western Canada have not made speeches today on behalf of their constituents because it is very important to those individuals in western Canada to have a transportation system of this nature.

The Hon. Member asked a very intelligent question concerning the source of funds. The Hon. Member should consider why VIA Rail is not cost efficient and why the subsidy is so high. First, the suggestion by the Government that it cost $600 million a year in subsidies for Canadians is not true. The fact is a little over $100 million of that money goes from one Government pocket to the next because it is a transfer for the use of track on CN alone, not to mention CP Rail. It is $100 million for the use of that track. That is a subsidy Canadians are paying which, if removed, would only make $500 million. That is just a start.

The other problem is that VIA's hands are tied. I already stated that legislation was proposed in 1986, Bill C-97, which specifically stated a legitimate way VIA could be put into a management position where it would not have to go to the NTA to change the size of the coffee cups. It would have been able to legitimately do business and make those business decisions to make it a viable operation.

Amtrak has done that in the United States. Its subsidies have been reduced significantly because it has been given a mandate and the ability to run on tracks without having to pay an exorbitant price to do so.

It is important that the Member first learn a little about how VIA's hands were tied and why it never got off the ground. I will admit to all Members of the House that the Liberal Party had a part to play in not putting VIA on a firm base. I might say that now we have a renewed and invigorated membership and caucus and we are looking at new ways to make this viable. We ask Members opposite to do the same and not consider deficit reduction in a vacuum.

It is very important for them to realize that if this operation is given a chance we can make it work. We are not suggesting that it can completely remove the subsidy because we would be kidding ourselves to suggest that. However, I believe that subsidy could be reduced substantially if VIA is given a chance.

The Hon. Member asks how much it would cost to make this a viable operation. Let me quote what the Minister of Transport (Mr. Bouchard) said the other day concerning VIA's plans for a high-speed link. He said: "It may be kept. A $3 billion high-speed rail link between Montreal and Toronto may survive drastic cuts in the rest of Canada's rail passenger service". Out of what side of the mouth are they talking? First the Tories say there is a big deficit and we must get rid of this railway because it costs too much. How can they spend $3 billion on this one link where these individuals—and I hope I do not offend some Members from Montreal and Toronto—already have a link. They have the ability to go by air. We in the regions do not have a choice. It is either swim or walk.

I suggest that we look at the alternatives to make this operation viable. I know we can do so if there is a vision and a dream as their leader, Mr. Macdonald, had in the very early years of this great country of ours.

Mr. Deputy Speaker: The reason some Members may think the question and comment period is short is because it is only five minutes.

[*Translation*]

Mrs. Shirley Maheu (Saint-Laurent): Mr. Speaker, I rise today to take part in an historical debate, for we are dealing here with much more than mere cuts to VIA Rail subsidies. We are in fact dealing with the future of passenger train service as well as the overall problem of passenger service which society will have to face in the 21st century.

The Governement of Canada has made its choice. It is going to sacrifice rail transportation which was the Confederation catalyst on the altar of deficit reduction. It has slashed its subsidies to VIA Rail, but has failed to provide the regions which are greatly dependant on this means of transportation with alternate solutions.

Just now, Canada is facing a crisis as far as highway and air traffic is concerned. Both are overextended, so that the safety of Canadians is being jeopardized. One needs only mention the overcrowding of Toronto's Pearson airport and the inadequate number of air traffic controllers everywhere in Canada.

Because this Government is suffering from short sightedness and obsessed with deficit reduction, our country will have to face a massive transportation crisis.

Mr. Speaker, inconsistency is the hallmark of this Government. In spite of the fact that Chairman Lawrence Hannigan claimed in VIA Rail annual report that 1988 was the best year ever in the history of that corporation, the Government has drastically reduced its assistance to VIA Rail. This cut will amount to $100 million the very first year and more than $300 million over five years.

Why is the Government scuttling VIA Rail when the corporation indicated in its annual report that the level of financing of its operations in 1988 will be 8 per cent lower for instance than in 1982, and when VIA Rail is about to achieve financial self-sufficiency?

• (1440)

This year, 500,000 more people used VIA Rail then last year. This 9.4 per cent increase in ridership and the 12.9 per cent increase in revenues contradict the Prime Minister's claims that Canadians don't take the train when they are travelling.

I would like to quote Mr. Hannigan in this respect:

> The improvement which started last year has been sustained. The rising trend with respect to punctuality, ridership and revenues has been clear and constant since the fall of 1987.

And he added:

> Our growth rate exceeds that for the travel market in Canada as a whole.

Mr. Speaker, instead of helping the corporation achieve prosperity and financial independence, the present Government is destroying our national passenger rail service and wasting the public's precious tax dollars, because it will finally kill off VIA Rail if it does not maintain its contribution at a sufficiently effective level.

Taxpayers will have to pay for this Government's stubborness, but the people most directly affected will be passengers and workers. In Montreal alone, nearly 3,000 jobs are at stake. Where are the ministers from Montreal in this Government? They are nowhere. They have been gagged!

In an interview that appeared in *Le Devoir*, the Québec Minister of Transport said that Ottawa's inconsistency was strangling Québec's transportation industry.

The Minister also informed Québecers about the federal Government's plans to abandon nearly 1,000 kilometres of railway lines in Québec that are dedicated to freight, in addition to the decision to drop VIA Rail's regional services and reduce services in the corridors that include Montreal.

What will happen to workers in the maintenance workshops at Pointe-Saint-Charles? The decline of Québec's railway industry also threatens 20,000 jobs in the small and medium-sized businesses that operate as subcontractors in this sector.

The schedule of cuts that appeared in the *Globe and Mail* indicates that the 33 lines that make up Québec's regional transportation network will be dropped while all VIA Rail activities in the Maritimes will be shut down.

Jobs in Montreal are particularly at risk, since Pointe-Saint-Charles was the principal maintenance centre for Eastern Canada, ever since the plant we had in New Brunswick was closed.

Once again, for the sake of free enterprise, this Government is destroying, bit by bit, the very foundation of our country. In fact, the present Government has no heart, Mr. Speaker. It is reducing regional development assistance, eliminating regional railway services, and

soon the people in those regions will have to leave their homes to move to the main urban centres.

Mr. Speaker, this Government's motto is: If it doesn't make money, close it! No room for compassion. This country was built against all economic principles, but it survived and prospered because of the dedication of Canadians. Today our country is the envy of the whole world.

After the Wilson Budget, it is obvious that this Government's only law is the law of the jungle: The strongest will prevail. It is destroying our social programs one by one, is leaving Canadians to their own resources, and this philosophy also being applied to our country's remote areas. The strongest will survive and the weakest will disappear. At this rate, Canada will soon consist of Montreal, Toronto, Calgary and Vancouver, and the regions will close down one after the other, just like Schefferville.

VIA Rail is so popular among Canadians that 89 percent of them believe that it should continue giving adequate service to the people of this country. This privatization-crazed government is dismantling VIA Rail little by little and surreptitiously.

The budget speeches make clear the government's real motives. It is cutting VIA Rail's budget and asking it to rationalize its operations by increasing its fares, reducing its services and closing or selling off major components of its network. Once again, the cat is out of the bag! As in Air Canada's case, the government is abdicating its constitutional responsibility to ensure adequate transportation services for all Canadians.

According to the Minister of Transport (Mr. Bouchard), if Canadians do not use VIA Rail, they will lose it. VIA Rail's annual report, which the Minister might be well advised to read, shows an increase in ridership and revenues. For the first time, this corporation is coming to the end of the tunnel and its future is looking brighter. But the Wilson budget puts a damper on this new-found vigour.

How can you possibly expect to attract more Canadians by closing down or reducing services while at the same time increasing fares?

The Government's actions leads me to the following conclusions:

The Ministers from Montréal are not up to scratch. The Government wants to get rid of VIA Rail, thereby abdicating its constitutional responsibility in the area of transportation. The well-being of this country's outlying regions is not a priority for this Government.

Mr. Deputy Speaker: The Hon. Member for Terrebonne (Mr. Robitaille) on a question or comment.

Mr. Robitaille: Mr. Speaker, I listened carefully to the speech by the Hon. Member for Saint-Laurent. I would still like to make a few comments and ask her some questions.

The Hon. Member often pointed out to us that the number of users rose by 9 per cent and revenues by 13 per cent. But I think that she omitted a serious fact: operating costs also rose by 15 per cent.

Revenues rose by $26 million, as she said, but operating costs rose by $94 million. As I see it, if you take the difference, subtracting one from the other, there is a $68-million deficit. She seems to announce that as though it were good news. Sixty-eight million more! Operating costs exceeded revenues by $68 million and she says that is good news. I do not see what she finds good about that.

She says that the Government is obsessed with reducing the deficit, Mr. Speaker. Yes, we are obsessed and we will keep on being obsessed. Unfortunately, in the past, the former Liberal Government did not have the same obsession. Otherwise, we would not find ourselves in the kind of problem we have today and must deal with.

Mr. Speaker, the Hon. Member also refers to the Conservative Government's privatization mania. Since she comes from the riding of Saint-Laurent, it seems to me that she should be proud of the Conservative Government's privatization mania. Remember Canadair, Mr. Speaker. When we spoke of privatizing Canadair, here in this House, the Liberals brought out the same arguments for us. Canadair would lose jobs. Look at Canadair's success today, Mr. Speaker. And he talks to us about privatization mania.

Mr. Speaker, I just believe that, as the Minister of Transport said in his speech, $600 million a year to subsidize VIA Rail is $100 to subsidize each user and we are talking about reducing this by $500 million over 4 or 5 years. VIA Rail is being asked to make an effort, as are all Canadians.

I will just ask the Hon. Member a little question: Do you find it is good management and a good solution when, in spite of all the efforts VIA Rail has made, revenues are up by $26 million but operating costs have risen by $94 million, with an ever-growing deficit that now stands at $68 million? Do you consider that good management, Madam?

Mrs. Maheu: I thank the Hon. Member for Terrebonne. I simply wanted to raise a couple of matters. Speaking of deficit, did this Government forget the deficit doubled over the last four years? Have they also forgotten VIA Rail in 1987

Mr. Robitaille: You are not answering my question!

Mrs. Maheu: You expressed concern with the Canadian deficit. Well, let me repeat the question. Who doubled that deficit? Is it not true that VIA Rail, despite its deficits, paid the CN and CP $179 million in 1987 and $105 million in 1988? How is a deficit computed? They suggest the corporation is not profitable. If we are to compare for instance VIA Rail's equipment that on average is 25 or 30 years old with AMTRACK's 16-year-old equipment, then the comparison is based on specifics, otherwise stop comparing.

Moreover, let us turn to your first term, when you were committed to giving VIA Rail a strong cole, a clear mandate. Mr. Speaker, they even tabled Bill C-97, which died on the Order Paper. How could they now make such an about-face and decide that VIA Rail should be closed down. You are not saying so in so many words, but that is the bottom line. You want to close VIA Rail down, but without preparing further answers.

• (1450)

[*English*]

Mr. Blaine A. Thacker (Lethbridge): Mr. Speaker, I am privileged to rise on this opposition motion criticizing the Government and raising the whole question of VIA Rail. It reminds me of an incident when I was first elected in 1979. A Budget came before us that had been prepared by Mr. Chrétien in 1978. Of course, we were in Opposition at the time and opposed it. In 1979, because of the nature of the budget process 99.9 per cent of that Budget came back. We presented it as the Government and the Liberal Opposition opposed it even though it was a Liberal Budget from 1978.

What is even more horrible was that we were defeated in December of 1979. The Liberals came back with the Budget they had presented in 1978 and had opposed in 1979. They proposed it again in 1980 and we opposed it. That is what this debate reminds me of.

Mr. Kilgour: It's called hypocrisy.

Mr. Thacker: I think Canadians ought not to be fooled by the partisan politics that go on. The bottom line is that the Government really has to do certain things. I believe VIA is an example of that bottom line.

Let us start with the traffic. How many millions of passengers are there in automobile, bus, rail and air traffic? There are about 333.7 million. What is the percentage who travel by rail? It is 6.4 million for some 3 per cent. Yet for that 3 per cent in very restricted areas of the country we find a subsidy that has been growing really dramatically. In 1980, when the Liberals came back, the subsidy was some $423 million. Over the years it has progressed so that this year it is some $641.7 million. What that means is that about $7 billion has been spent in the last nine years on VIA. It has not worked because the number of passengers has gone from 7.6 million in 1980 to 6.4 million. The question is: Should Parliament allocate billions and billions of dollars that we would have to borrow from the public to remedy that situation? Is there a guarantee that if there was a better service that more people would use it? That is where the debate stands.

I am a bit doubtful myself simply because the nature of the country has changed. We build magnificent highways and then are amazed that people use them.

Mr. Keyes: They are all congested and you cannot get around on them any more.

Mr. Thacker: Let me respond to the Hon. Member for Hamilton West (Mr. Keyes). I must say he is a fine ball player. If there was one more expansion in the Majors he would be in the Majors for sure. He is a fine ball-player, as the Pages found out. Perhaps the Hon. Member would rise at the end of my remarks. I think when he was making his speech he talked about a subsidy to Bombardier. I think that is what he was saying. I have information to the effect that Bombardier borrowed the money from the Export Development Corporation but at full commercial rates. I am sure that the company would not

want to have implications that it is being subsidized, nor would my friend want to leave that view.

Mr. Keyes: Amtrak. You have it a little mixed up.

Mr. Thacker: I want to read into the record a comment made by the Hon. Member for Winnipeg—South Centre (Mr. Axworthy) in which he set forth his position *vis-à-vis* VIA. It would not matter even if the Social Democrats were in power. Around the world they have cut railway services. If one goes to Australia, New Zealand and some of the Social Democratic Governments in Europe one will see that they have had to cut railways in certain places. It is not a question of ideology. This is what the Hon. Member for Winnipeg—South Centre had to say on July 17, 1981 as reported in *Hansard:*

> In terms of VIA Rail, how many members on the other side of the House have preached for years about the need for an efficient use of resources—that is what the Minister of Transport (Mr. Pepin) has put into place. The reason is because we have a Minister of Transport who is prepared to make tough decisions, not to back away, not to hide his head in the sand, not to get himself confused in a web of paranoia and fear, and simply allowing himself to be yelling into a rain barrel, but to make tough decisions, because that is what we were elected to do.

That is really where we find ourselves today. If Canadians will look objectively at the facts they will see that the people are not using the passenger rail service. That is the nature of the beast, just as in the early days they used waterways and then stage-coaches and then railways. Now it is cars and airplanes. Tomorrow it will be travel in space.

I ask Hon. Members to think of what Parliament could have done with that $7 billion. Think of what it could have done in terms of research and development instead of having been spent on 3 per cent of the travelling public. Think of what it would have done for education or for day care. There are so many places to which Parliament could have applied that money. What would $7 billion do in space? Space travel will ultimately do to airplanes what airplanes have done to the railways.

The world is changing. I frankly resent every dollar that we waste in the country subsidizing something where that subsidy has become unreasonable. It is the same as the subsidies to de Havilland became unreasonable. The minute it was privatized our technology started to go all around the world.

Mr. Benjamin: Mr. Speaker, I rise on a point of order. Will the Hon. Member explain why the Conservative Party opposed the cut-backs proposed by Jean-Luc Pepin?

Mr. Deputy Speaker: That is not exactly a point of order.

Mr. Horner: The only thing pointed is his head.

Mr. Thacker: I think the Hon. Member has the finest hair-do in the land. I have been attracted to him because of his hair-do ever since I have known him.

Mr. Boudria: Because you both have the same barber.

Mr. Thacker: He does not have a pointed head, Mr. Speaker. He has one of the finest heads, one which I have admired for many years.

May I call it three o'clock?

Mr. Benjamin: There is one minute left on questions and comments.

Mr. Deputy Speaker: There will be 30 seconds for the Hon. Member for Regina—Lumsden.

• (1500)

Mr. Benjamin: That will be 60 seconds, Mr. Speaker. We have just heard a litany of the same excuses provided by the Tories as the Liberals provided in 1981 and neither one of them has learned a damned thing since.

Some Hon. Members: Time.

[*Translation*]

Mr. Deputy Speaker: In accordance with Standing Order 33(2)(b), it being 1.01 p.m. it is my duty, pursuant to Standing Order 81(14), to interrupt the proceedings and put forthwith all questions necessary to dispose of the Supply Proceedings now before the House.

[*English*]

The question is on the amendment. Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 45(6), the recorded division stands deferred until six o'clock, Monday, June 12, 1989.

Mr. Benjamin: Mr. Speaker, I rise on a point of order. Although it is Friday, do you not call for the yeas and nays on both the motion and the amendment?

Mr. Deputy Speaker: I must proceed with the amendment first and, once a deferred division is taken Monday night, then we will deal with the main motion depending upon the vote.

The Member for Hamilton West on a point of order.

Mr. Keyes: Mr. Speaker, in light of the question put to me by the Member, I am responding for the purposes of the "Blues" to clear up any misconception and to clear it up on the Member's records. Precisely what I said was that yesterday the Right Hon. Leader of the Opposition (Mr. Turner) stated that Amtrak is purchasing 100 cars from Bombardier in Quebec. The catch is that the purchase is, in part, being financed by the Export Development Corporation, a corporation of Her Majesty. Those are the precise words, Mr. Speaker.

Mr. Deputy Speaker: It being three minutes after three o'clock, this House stands adjourned until Monday next at 11 o'clock.

The House adjourned at 3.03 p.m.

HOUSE OF COMMONS

Monday, June 12, 1989

The House met at 11 a.m.

Prayers

VOTES AND PROCEEDINGS CORRIGENDUM TO ISSUE OF FRIDAY, JUNE 9, 1989

Mr. Speaker: Before proceeding with Routine Proceedings, there is a matter which I feel I should bring to the attention of Members.

I wish to bring to the attention of Hon. Members a Corrigendum which appears in the *Votes and Proceedings* of Friday, June 9. This was authorized to correct a clerical error in the English version of the First Report of the Standing Committee on Transport presented to the House on Thursday, June 8.

Let me assure the House that this error does not appear in the printed version of Bill C-2, an Act to establish the Canadian Transportation Accident Investigation and Safety Board and to amend certain Acts in consequence thereof.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

VIA RAIL CUT-BACKS

Mr. Rod Murphy (Churchill): Mr. Speaker, I again have the honour to present a petition in the House of Commons concerning the Government's plan to cut back on VIA services.

The people who have signed this petition express their concern with regard to that issue. I point out in presenting this petition that there were 65 students and 14 chaperones from The Pas, Manitoba, who wished to go to Churchill and made bookings in February of this year to go at the end of June. They were told recently that there were no cars available to put them on, even though they had made bookings three and a half months ago. It took the intervention of the office of a Member of Parliament for those students to be able to ride on VIA.

The Government claims: "Use it or lose it". Students cannot possibly use it because the Government of Canada will not provide the necessary equipment.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is an honour for me to present a petition on behalf of a number of people from Kamloops, British Columbia, who are concerned about the Government's intention to eliminate passenger rail service in the country.

The petitioners are drawing to the attention of the Government all the reasons for continuing with passenger rail service. Basically, they are calling upon Parliament now, since the Government refuses to listen, to maintain, to improve and to modernize VIA rail service, particularly in those areas of the country where it can provide a more rapid, economical, safe, convenient and environmentally sound alternative to other means of transportation.

ALLEGED MILITARIZATION OF CANADIAN ECONOMY

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I have a second petition on a different topic. It is from a number of petitioners in Kamloops, British Columbia, who are concerned about the Government's support for the growing militarization of the Canadian economy. They are aware of a number of countries that receive arms, military or paramilitary equipment from Canada, countries in which there are obvious abuses of human rights. They are asking the Canadian Government to stop this process of militarizing our economy.

• (1110)

VIA RAIL CUT-BACKS

Ms. Lynn Hunter (Saanich—Gulf Islands): Madam Speaker, I have the honour to present petitions pursuant to Standing Order 36 with regard to cuts to VIA Rail.

People are particularly concerned about the cuts in the Quebec to Windsor corridor because of the reductions in high-speed railway transport.

On the weekend, our most eminent climatologist, Dr. Kenneth Hare, made the point that this is of particular concern because of the environmental impact that the cuts will have. These cuts make absolutely no sense either in a Budget or in an environmental way.

REQUEST FOR MORATORIUM ON OFFSHORE OIL EXPLORATION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, I have the pleasure to table seven or eight petitions asking the federal Government to continue in perpetuity the moratorium on offshore oil exploration development in the Canadian Pacific. These petitions have been signed and are duly certified.

VIA RAIL CUT-BACKS

Mr. Ron Fisher (Saskatoon—Dundurn): Madam Speaker, I have the honour to present petition No. 342 duly authorized by the Clerk of Petitions. It deals with the concerns people have for the cut-backs to VIA Rail, in spite of Government promises that VIA Rail would be maintained and even enhanced.

The petitioners also express concern with the obvious deregulation of airlines and the subsequent higher expense as well as it being a less safe alternate way to travel. The petitioners ask Parliament and the Government to improve VIA. These are people from Oakville, Toronto, Windsor and so on.

Mr. Dan Heap (Trinity—Spadina): Madam Speaker, it is my honour and duty to present a petition signed by a number of residents of London and other parts of southern Ontario who are concerned with the Government's consideration of cutting back or cutting out VIA passenger transportation, contrary to the Government's own promises.

The petitioners point out particularly the need for rail transportation in the Quebec to Windsor corridor, a high density region where high speed railway transportation would be economical as well as environmentally sound. Therefore, they call upon Parliament to maintain, improve and modernize VIA Rail service in those areas of the country where it can provide a more rapid, economical, safe, convenient, environmentally sound and energy efficient alternative to other means of transportation.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

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

The Acting Speaker (Mrs. Champagne): Is it agreed?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

BORROWING AUTHORITY ACT, 1989-90

MEASURE TO ENACT

Hon. Marcel Masse (for the Minister of Finance) moved that Bill C-11, an Act to provide borrowing authority, as reported without amendment by the Legislative Committee, be concurred in.

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House to adopt this motion?

Some Hon. Members: Agreed.

Mr. Gauthier: On division!

Motion agreed to.

Hon. Marcel Masse (for the Minister of Finance) moved that the Bill be read the third time and passed.

[*English*]

The Acting Speaker (Mrs. Champagne): The Hon. Member for Winnipeg South Centre. The Hon. Member for Halifax West.

Mr. Axworthy (Winnipeg South Centre): Madam Speaker, point of order.

The Acting Speaker (Mrs. Champagne): Point of order, the Hon. Member for Winnipeg South Centre.

Mr. Axworthy (Winnipeg South Centre): Madam Speaker, I believe I was recognized first by you. I am prepared to initiate debate on third reading. If the Hon. Member has a point of order I would defer to him,

otherwise I would like to follow through on the recognition that you made.

Mr. Crosby: On the point of order, Madam Speaker, I was standing in my place. I think Your Honour was looking elsewhere and possibly looking for the accord of the opposition representatives to third reading. I cannot anticipate what was in Your Honour's mind but I was certainly on my feet ready to be recognized. If there is any compelling reason to proceed with the opposition Member, I have no objection. I just wanted to make a few brief remarks on behalf of the Minister, quite complimentary I might add.

Mr. Riis: Madam Speaker, I too was on my feet waiting to be recognized. However, because you recognized the Hon. Member for Winnipeg first we should begin the debate with his comments.

Mr. Gauthier: Madam Speaker, I am one of those who opposes this Government with all the energy I can muster. I am also the one who said at report stage of Bill C-11 that it would not be concurred in unanimously. I opposed it at that time verbally. The Opposition is interested in debating anything relating to the borrowing authority of this Government with the utmost of energy.

I saw my colleague from Winnipeg South Centre rising in his seat. We recognize the importance of the Opposition debating these Bills. I did not see the Member from the government side on his feet. I can see why you, Madam Speaker, would see us ahead of the Government. If he has a few remarks to make, as long as they are not too complimentary we will agree.

The Acting Speaker (Mrs. Champagne): The Chair must admit that I had not seen the Hon. Member rising. On the other hand, as I imagine he is rising in the name of the Minister it would be normal for the Hon. Member to be recognized first, with the agreement of the Opposition. I can assure the Hon. Member for Winnipeg South Centre will be recognized next. I do appreciate his courtesy.

Mr. Howard Crosby (Halifax West): There is an expression, "You are darned if you do and you are darned if you don't." If you rise too quickly you get embarrassed by the Speaker, and then something else if you rise too late.

The point is that I simply want to make a few remarks on behalf of the Minister of State for Privatization and Regulatory Affairs (Mr. McDermid) and the Minister of Finance (Mr. Wilson) who is responsible for the Bill. I want to indicate their thanks and appreciation to the members of the legislative committee who dealt with the Bill in a prompt manner. I noticed the Bill was introduced on April 27 of this year and we are now seeking third reading not too long after. That is appreciated and indicates Parliament and the House can under the appropriate circumstances proceed with some dispatch to deal with the important matter of government affairs.

The co-operation of the committee will assist the Government in moving ahead with the program of orderly debt management by dealing with the substantial cash requirements of the Government of Canada. I, on behalf of the Minister, thank all the Members of the House who co-operated in the manner in which they did to bring this Bill to its present state in a relatively quick manner.

I want to remind the House of the grave financial position of the Government of Canada as represented by the needs carefully outlined in this Bill. We are in a very difficult situation with the $320 billion debt and a deficit in this fiscal year which will run to $30 billion. It is the task of all Members to participate in the reduction of and the appropriate management of this debt.

• (1120)

Canadians, as Hon. Members know, have to make some choices. We would all like to keep every government program intact without reduction, but that costs money and the money can only come either from increased taxation or from piling up additional debt. We want to avoid additional debt. It has become very costly to absorb that over 35 per cent of every revenue dollar which goes to the debt. Therefore, we have to make these choices, but I am sure it is with some reluctance that the Government deals with the realities of the financial situation by reducing government expenditures with obvious effects.

I may point out, as I have on previous occasions in the House, that given the realities of our fiscal situation, some of the regions of Canada which appear to suffer most from any reductions have something to their credit. The Government of Canada has increased very dramatically over the last year the transfer payments to those

regions of the country, particularly Atlantic Canada, that suffer as a result of regional disparity.

There has been over $186 million paid into Atlantic Canada as a result of transfer payments. In the case of Nova Scotia, it amounted to 19 per cent more than was anticipated. In the case of Prince Edward Island, it has a balanced budget. In the case of Nova Scotia, it is able to look forward to balancing the budget in the next fiscal year. That is something that the Government of Canada will only be able to achieve after a four or five year period.

There are some rays of sunshine in the financial picture of Atlantic Canada, and I hope that the Government's competent management of the national economy and finances will aid that situation in the future so that at some time, probably many years distant, we will not have to face statutory issues like borrowing Bills for the vast amounts of money the Government of Canada needs to meet its obligations.

As I have indicated, it is the duty of a Government to make the hard financial choices that lead in some cases to tough cut-backs in expenditures, but I am sure that Canadians understand and appreciate that their choice is very simple. They either pay more taxes or receive something less in Government services.

As I talk to my constituents, I find that they do not want to pay any more taxes. They do not want to contribute any more to the revenues of the Government of Canada. They are at the tax limit, so the only hope and prospect for the future of all Canadians is to have better management of the financial situation and the national economy, and that is what the Government is doing, through this very Bill which is now before the House for third reading.

So that Hon. Members will understand that there is hope for the future, particularly for Atlantic Canada, I want to mention the free trade initiative which we think will bring great benefits to Atlantic Canada. Hon. Members do not have to take my word for it. The Premier of New Brunswick who received a unanimous endorsement from the electorate of that province said in a recent speech made in the City of Halifax that Atlantic Canada is now part of the over-all economic picture. Atlantic Canadians now have opportunities that they did not have before. The challenge in Atlantic Canada is to take advantage of those opportunities, as Premier McKenna said. I hope Members of the Liberal Party will pay attention to the words he spoke in the city of Halifax before a group of business people. We have the opportunities and the potential and we have to go ahead and meet that challenge and get the job done. We will improve the economy of Canada through the free enterprise system and through individual entrepreneurship and enterprise. That is how we will get the funds to pay for the services and reduce the need for borrowing.

Hon. Lloyd Axworthy (Winnipeg South Centre): Madam Speaker, first I want to applaud your discretion and judgment in allowing the Hon. Member to speak first. After his presentation, my job becomes so much easier. He has opened up so many interesting lines of inquiry and examination that we could be here all morning simply discussing the first topic alone, the question of the management of the economy.

The Hon. Member sat down two minutes ago. Now he wants to talk again. It is fascinating how slow his reaction time is. He only thinks of what he wants to say after he sits down.

Through this borrowing authority Bill, we have the opportunity to look at the stewardship of the Government, its management of the economy, its so-called economic blueprint, and we have an opportunity to determine whether the heavy requirement the borrowing authority puts on the capital markets of Canada is justified, if it will be an effective, useful and fair rendering of economic policy and management for Canada as we enter into some tumultuous and turbulent times.

This Government has been a bit lucky, both bad and good, because much of the debate in this House has been concentrated on the fiasco of the release of the phantom Budget by the Minister of Finance (Mr. Wilson) and the attempts of the Government to cover it up. Much of the attention has been deflected from the real Budget, the Budget that will have a long-term impact on Canada, the Budget which will fundamentally restructure and reorganize the economic fabric of Canada and our attempts to ensure that there is something called a fair political economy in Canada.

If I may, I would like to begin by challenging the Hon. Member who just spoke on behalf of the Government to prove some of his assertions about so-called effective economic management. I think the first criteria for effective economic management by the Government is honesty, telling the truth, putting the facts before the people. If the Government has any responsibility, it is to ensure that Canadians fully understand the economic

conditions they face and the options and choices before them.

Less than six or seven months ago during the election campaign, the Minister for International Trade (Mr. Crosbie) said that the Government would never touch unemployment insurance, that it is sacred for forever. There was a man of honesty and probity, a man we could trust implicitly. Now, however, we have before us a total and complete chopping apart of the unemployment insurance program.

I read all the newspapers. I am told that the Minister of Finance is a paragon of virtue, that he is the most honest Minister in the Cabinet. They say that he is the one in which the credibility of the Government resides. What happened during the election campaign? He was calling everyone else liars and saying that he had the money in the bank, he was prepared to pay for these programs. He said that these were not promises but commitments because the money was already in the till and everything was going fine. Then in his Budget, he slashed every single one of those commitments.

Day care for children is perhaps one of the most important programs for providing a sense of justice and fairness and for allowing women to have a fair share of the job market. The Minister cut that program. Perhaps I missed something. I was so busy campaigning during the election campaign, perhaps I missed the Minister of Finance telling us that he would cancel the day care program.

I recall hearing the Prime Minister (Mr. Mulroney) and the Minister of Finance saying on television that they were firmly committed to day care. Now, all of a sudden, a few short months later, have conditions ever changed. All of a sudden there has been a revelation. On the road to Damascus, the Minister of Finance had a new revelation. He found that he can no longer pay for day care.

Did Hon. Members hear the Minister of Finance, that paragon of integrity, talking during the election campaign about cutting back on VIA Rail, a program that is essential for many of the regions, including the Atlantic Region, about which the Hon. Member just spoke? We just received the secret report. About 89 per cent of the lines will be cut in the Atlantic region and 70 per cent of the lines will be cut in western Canada. For the life of me, I cannot recall hearing the Minister of Finance or the Minister of Transport (Mr. Bouchard) saying that six months ago. Is it not amazing what has been discovered in six months? It seems to me that on the level of honesty, fairness and judgment, we could expect the Government to at least be consistent.

• (1130)

The question I asked at the beginning of the debate was: Up until November 21, did the Government know what the economy looked like, the drastic and Draconian difficulties that we faced, and simply was not telling Canadians? In other words it covered up, or was it so stupid and totally blinded that the Government and its officials did not know? Either one, when measuring it against the judgment of a Government, does not look too good.

Mr. Peterson: They are dumb and stupid.

Mr. Axworthy (Winnipeg South Centre): Maybe it was a combination. Maybe the Government did not know, did not care, and did not make the effort to find out.

Certainly there has been nothing that we have seen since this session opened in terms of all the announcements on unemployment insurance, day care, and regional programs from which we got the slightest suspicion or inkling back at the time the Government was asking the Canadian people for an accounting. That is the way the parliamentary system should work. A Government stands or falls on its record. If its record was so good, why was it not honest about it? Why was it not fair about it?

Unfortunately that was not only a problem during the election. It is a problem now. That same sense of camouflage, that same masquerade, is perpetrated on a continuous basis. It is fascinating to look at the Budget which stated that Canadians were going to have to sacrifice. We have a deficit in front of us. Members of the House recognize that it is one of the questions that has to be examined carefully and is part of the economic framework of this country. However, surely Canadians have a right to expect their Government to be honest

with them about who is going to bear the burden and how fair the apportionment of that sacrifice will be.

In the *Budget Papers* there was no attempt to describe in any real way who is going to pay for the Government's mistakes. Who is going to pay for the escalating deficits that have multiplied over the last four years? The deficit has doubled in the last four or five years of this Government. We conducted our own study to find out. We got the StatsCan model developed by the Government and ran the figures in the Budget through to see who would be affected.

Those who are going to carry the biggest burden and who will make the toughest sacrifices are families with children. Is that not a real judgment on behalf of the Conservative Party of Canada? The people who are going to carry the heaviest burden, pay the heaviest tax load, and lose the most income as a result of this specific Budget are working families with two kids. They will have $582 less income under this Budget than they would have had last year. That does not include the four years previous. A family with two children and an income of around $30,000 to $40,000 will have $582 less. That means that eight out of every ten taxpayers will lose a substantial amount under this Budget.

The Minister of Finance stated that this was a Budget that would take from the rich and give to the poor. Somehow I do not understand why a working family with two children and making $35,000 a year is called rich by the Conservative Government. They are the ones who are carrying the burden of this Government's so-called economic blueprint.

The Minister of Finance also stated that the Government is being particularly charitable to senior citizens. The only people from whom we are clawing back and scratching out the living are those who are very rich, the top 4 per cent. I would be glad to send this study to members of the Tory back-benches opposite. They might want to read some honesty for a change. The real impact is that more than half of the senior citizens, over 2.1 million, will be receiving less income under this Budget than previously. It is not 4 per cent. It is 50 per cent. That is a far cry from the declarations of the Minister of Finance in the House day after day. That is a big gap between reality and what the Minister says is the truth. Now, added to families with children are senior citizens who will be paying a substantially heavier burden.

Let us look at the poor. The Government has stated that this is being done in order that extra income can be targeted to give to those most in need. Day after day we have listened to the Minister of Finance saying that he really is Florence Nightingale with the lamp. He is going to go out there and give to the poor. Instead, the same study shows that over 800,000 families earning $15,000 or lower will have less income as a result of this Budget. Can that be considered to be targeting help for the poor? We are targeting them all right. We are putting an arrow right between their eyes. We are targeting their limited income.

This is happening at a time when, according to the Canadian Council on Social Development, there are more than one-quarter of a million homeless in the country. We are talking about taking money from those people who cannot even afford to find a house. That is considered to be the "lady bountiful" approach of this Government. It is incredible to think of the dishonesty and duplicity that is being given to Canadians in the ad campaigns that are being paid for by the taxpayers. They are not being told the truth.

This Budget zeros in on families with kids, senior citizens, and the poor, yet it does nothing at all on the other side. I read nothing in the Budget whatsoever that would give any reassurance that the quarter of a million families who are homeless would receive any form of assistance.

There is an important trend taking place that should set off an alarm bell in every single Member and should be recognized as one of the great tragedies occurring in our so-called modern society. Fifty per cent of those who are now considered poor in this country are younger people, particularly single parents with children. Fifty per cent of those living below the poverty line are younger families. They are no longer only senior citizens. We are now adding substantially to the pool of poor people, especially those with children.

The new Minister of State for Housing must be embarrassed and ashamed. When he was a member of the government side, from time to time he had the courage to rise and ask his cabinet colleagues: "What are you going to do about the homeless? What are you going to do about housing?" Now he has been appointed to that job where one would have thought because of his previous record in the House he would have tackled it with zeal and diligence, he finds that his budget has been cut back. He has less money to deal with the problem

than there was before. He knows that his Minister of Finance is taking money out of people's pockets that could otherwise go to pay for housing projects.

What Government with a sense of fairness would allow that type of discrimination to take place? What values are we telling Canadians that the Government represents when it is prepared to take money from families and money from poor people, yet not provide that money for any more targeting, direction, or services?

The Hon. Member who opened this debate stated that Canadians knew what a difficult time it was. Yes, it is a difficult time, because the Government makes it difficult on so many Canadians. It is creating the difficulties because it is not being fair and honest about the economic conditions being faced by Canadians.

That same gap and discrimination, the fact that the Government is creating a two level society, a society of two Canadas, is becoming more apparent in the regions of Canada, the hinterlands of Canada, and the places where people have less power and growth.

For years those regions have relied on fishing, lumbering, mining, or the basic resources of this country which have been the creators of wealth for more than 120 years. Because one lives in northern Manitoba, in the fishing outports of the Atlantic, or in the sawmills towns of British Columbia, one has to provide for periods of very intense work and then an income support for the other portion of the year.

• (1140)

One of the things I recognized when I was Minister of Employment was that the unemployment insurance program was the essential that allowed our resource based industries and our resource based regions to maintain an effective workforce; to keep people in those regions so they could continue to fish, farm, mine and lumber; and to provide those kinds of resources which are still a source of wealth, with some sense of dignity and with some sense of honour.

They are hard working people, but they can only fish for 14 weeks a year in certain parts of the Atlantic and West Coast. They can only mine during certain parts of the year. They can only lumber during certain parts of the year. Therefore, there has to be a balance.

One of the ways we did that in the unemployment insurance program was through a particular commitment of the Government of Canada to guarantee an income base through its own investment on behalf of the rest of us. I considered that a program of real honour, as well as smart economics.

One thing this Government lacks is the commitment to the people of Canada. There is no commitment to the citizens who work in the resource regions across Canada to maintain their families and to keep them there. The real basic underlying philosophy of this Government is that that does not count any more.

The Government is prepared to give incentives to big corporations to put in more machinery, to give these corporations capital write-offs and depletion allowances so they can bring in more machinery and more technology, but they can put the workers on the scrap heap.

As a result, what the Government will do is build up the big cities, increase the housing inflation rates in Toronto by 30 per cent or 40 per cent, have overcrowded roads in the golden horseshoe, create a Canada of three or four large cities, and the rest of Canada will not count. It is a strange, perverted, distorted view of this country. It does not fit with the history, tradition, or even the good economics of this country.

The Government does not stop with gutting the public commitment to the unemployment insurance program. It goes on. It does not stop there. What is the next announcement of that the enlightened Minister of Transport who has had such a string of successes as the Pearson Airport, the Gander air crash, and now the cut-backs in VIA Rail? What did the Minister of Transport do? He has had a singular record of disasters unknown in the history of this country. Now the Minister stands up and says: "I had no responsibility for VIA Rail".

The Minister has never bothered to examine, in the slightest way, what the economic impact will be in cancelling the line between Melville and Saskatoon, the line between Winnipeg and Thompson, or the line on the east shore of Nova Scotia. There is no analysis. There is no impact study to ask: "Do people need that form of transportation? What does it do in terms of making sure

there is no monopoly? Are they restricted simply to one bus line, which can then charge a going rate?

There has been no attempt to give us in Parliament or anywhere else an explanation for that severe cut-back, no attempt to hold public hearings, no attempt to talk to the premiers or the local municipal councillors to work out a plan. It is going to be an arbitrary initiative, completely and totally unrelated to the economic reality of those regions.

If that were not enough, it goes on by cutting back the bases, the military budget. Let us accept, for sake of argument, that some cuts have to take place and that Departments have to effect them. Surely one would expect that those judgments that are being made by the Government would be based upon some effective or useful analysis, some judgment based upon reality, some decision based upon whether the bases are good or bad.

I will give an example. I was in Portage la Prairie on Friday. I met with the residents of the area, the Chamber of Commerce, and the municipal councillors. I looked at what was happening in that area. The military people on the base itself have yet to receive any instructions, any orders, or any analysis as to why that base will be closed. The community has yet to receive a visit from the Minister of National Defence or any other Minister. The Member of Parliament has not been seen in that area for six or eight weeks.

They ask the question: "What are you going to do with training?" At the Portage la Prairie base, there are three different forms of training. There is training for instructors, helicopters, and preliminary training. The Government sort of spread it around that it was to privatize the primary training. There was no discussion about what it would do with helicopter training or the training for instructors.

What is the alternative? There are only three other places on the Prairies to go to. The base in Winnipeg is already overcrowded and the air space is cluttered. The Moose Jaw and Edmonton bases have the same problem. Where is the training function of the Department of Defence going to go? No one has the foggiest notion. Obviously the Minister does not know. The defence officials do not know, because they were never asked by the Government to do that kind of analysis or judgment.

The decision was made again in an arbitrary way without any consultation, feeling, empathy, or sympathy for that community which is losing a $50-million investment and 700 or 800 workers. An enormous hole will be torn into its economy, and they cannot even get anyone to talk to them or explain to them what is going on.

That is being repeated right across this country. It is happening in Summerside and everywhere we go. It is simply stonewall. That is the order of the day. The Government keeps a closed mind and closed heart to those kinds of decisions which are being made.

My colleague from York West offered an alternative in a very generous way. He said: "We have a base called Downsview in Toronto. We would much rather turn it into housing for all those people who cannot get housing. Let the functions of that base go to Summerside or Portage la Prairie". The Government does not even listen to him. It just rejects it out of hand and does not even look at the alternative.

I suggested to the Minister of Defence in a letter to begin negotiating with NATO allies to see if they want to do similar kinds of training on these bases. I received a letter back from the Minister of Defence stating: "Sorry, I am not interested". The Minister does not have the least concern about finding an alternative for the people of Portage la Prairie, Summerside, or anywhere else.

I ask why. A Government has some sense of responsibility. The reason the system works is that we are not the same as the private sector. The reason we go through all the rigmarole of having an election and putting people in their seats in Parliament is because the public sector should have a different way of doing things. It should be responsible, accountable, and sensitive to individual needs. The people of Portage la Prairie do not sit in the boardrooms of big corporations. That is why they elect a Member of Parliament. It is so they can have access and feel they have an opportunity to participate in making decisions that are going to affect them in a direct way. I am sure that will be taken care of in the next election. Make no mistake about that.

An Hon. Member: Four years.

Mr. Axworthy (Winnipeg South Centre): Famous last words. There are five Liberal Members of Parliament from the Province of Manitoba from the last election. There will be ten the next time.

By the way, Madam Speaker, for the Member who just spoke, I will not bother sending him a Christmas card for the next Christmas party because he will not be here.

The fact of the matter is that it reflects that this is a Government that has lost its sense of governing, its sense that there is a public responsibility, a sense of public service. When Conservatives make tough economic decisions—and no one says that they should not make them—they should do it with sensitivity and nobility to ensure that the interests of the most defenceless, the least advantaged, are not hurt. What we see time after time in the Budget is that this is simply not the case.

I could continue with examples of the way in which this Government, through its economic decisions, is fostering division and separation of Canada into different classes. It is creating a hierarchy of Canadians—those most privileged with the most access who do not have to pay their share of taxes, and those least favoured, least privileged, who are most separated and most distanced from the centres of power. That is a recipe of disaster because we know from our history that the only way we can hold ourselves together and knit a fabric is by some real attempt by the Government of Canada, a strong national Government with some sense of will, to bring it together.

• (1150)

I want to speak about the question of economic management, which is equally critical. The Government must show some sense of competence and effective management. Again, during the election we were told that the signing of the Free Trade Agreement would open the portals of paradise for Canadians. We were told that we would be ushered into the land of milk and honey, that the moment it was signed unemployment would drop and a vast market would open up, that all the problems with the Americans would be resolved, and that we would live in a land of salvation forever.

According to the Jimmy Swaggart of Canadian politics, otherwise known as the Prime Minister of Canada, we were guaranteed eternal salvation for our souls. Let us see what has happened in the last six months. Interest rates have gone up three points. The dollar has risen by 15 points. Our export market with the Americans is down by 15 per cent, and our imports have risen by 7 per cent. Our current accounts trade balance is the worst it has been in the last 10 years. Those are the hard statistics from the last six months as a result of the Free Trade Agreement that would open up so-called markets. If they are opening so fast, why are the Americans getting them? Why is it a one way revolving door that they come in and we get pushed out?

After the first six months of operation of the Free Trade Agreement, the softwood lumber industry is in dire straits. I see some of the wise sages on the other side shaking their heads. In fact, I can hear them. The fact is that the Minister for International Trade, who was never known for his broad range of views, admitted in the House of Commons that the softwood lumber industry, the largest employer in Canada, is in dire straits because of the Free Trade Agreement.

As a result of the agreement signed by the former Minister for International Trade, the so-called Hawaiian beach pact for softwood lumber, we are now faced with the situation of 2,000 lay-offs in northern Ontario. Sawmills are closing down virtually every day. Export markets are being lost and a major industry in this country is in real trouble. The problem is that the Government signed an agreement and entrenched it in the Free Trade Agreement. Now it cannot get out of that agreement.

Let us look at another regional problem. Just this morning, about an hour ago, I met with unions and workers from the west coast fish processing plants. Again, the difficulty is that the solutions that should have been available to them once the GATT ruling was made is denied them under the Free Trade Agreement. An export tax to protect the right of Canadian workers on the West Coast to process their own product, a recourse perfectly acceptable under GATT, is denied them under the Free Trade Agreement.

Suddenly 2,000 to 3,000 workers are being faced with the harsh reality of losing their jobs because of what the Government wrote into the Free Trade Agreement, thereby surrendering one of the sovereign rights of any country to apply a tax on any export in order to ensure

that value added or processing would take place in that country.

Mr. Duhamel: But they made the Americans happy.

Mr. Axworthy (Winnipeg South Centre): Of course, that goes without saying. I expect that promise of paradise made six months ago must ring awfully hollow to those workers in the fish processing plants who are faced with that harsh reality.

One can do an industry by industry study across the country to see where job losses are occurring. Let us consider the printing industry, for instance. There is a small family owned printing operation in Winnipeg which printed the telephone books for 50 years. It is a business which employed 60 workers. It was wiped out because under the Free Trade Agreement a huge billion dollar business in Chicago simply underpriced them and put them out of commission.

The Government's own studies show how in industry after industry, business after business, there are major fundamental structural problems occurring because of the Free Trade Agreement. I am holding a number of studies which I brought with me to the Standing Committee on External Affairs and International Trade in order to ask the officials and the Minister how they would deal with these problems. These studies, conducted by the Minister's own Department and the Government, included sound recording, paper products, power generation equipment, paints and coatings, vegetable processing. I asked the officials if they would do something about these problems, and when they would take action.

According to the Budget, there is a dismantling of the programs. As a result of this Free Trade Agreement the Government of Canada has a responsibility to ensure that our industries and businesses can meet those new conditions under which they will have to operate. It will have to ensure that the workers can retrain, that new capital investment can be provided, and that businesses can be defended against harsh and unnecessary attacks. Yet the Government has sat on its hands and refused to take any initiative whatsoever.

The Minister for International Trade has stalled in his tracks. We never see him here because he is visiting the world capitals and bringing the message about how other countries should not sign bilateral trade agreements. I was quite intrigued to read the communiqué signed by the Minister for International Trade at the OECD, which warned against bilateral trade. The communiqué stated: "Ministers firmly reject the tendency toward unilateralism and bilateralism, sectoralism and managed trade".

It is fascinating that our Minister for International Trade, the great apostle of the FTA, is now warning Europeans about the dangers of it. Perhaps the Minister has found his own conversion and that is why the Prime Minister will not let him back in the country or the House of Commons. Perhaps the Minister recognizes what a total flop the Free Trade Agreement is, and the Prime Minister will not let him back to tell Canadians about it. He signed the communiqué and will tell Europeans about it, but he has not yet told Canadians that he thinks bilateralism represents a major threat to world trade.

I agree with the Minister, but we were saying that two years ago. Perhaps he is a late bloomer, or perhaps he finally read the Free Trade Agreement and discovered that it was a mistake. We know that the Government made a mistake, and we are seeing evidence of it every day in Canada.

One of the so-called benefits is to be able to resolve disputes and obtain guaranteed markets. However, there is a major case against the pork producers of Canada, in which the preliminary judgment based upon U.S. trade law is that they will have to pay a new tariff on processed pork products. While that comes as a great surprise, it is even more surprising to realize that rather than give them a resolution to the problem, the Free Trade Agreement created it because according to the FTA we must apply U.S. trade law.

Canadians who read about the hearings before the National Energy Board must be interested in discovering that Canada will guarantee 60 per cent of our natural gas supply to markets south of the border in perpetuity, while our own security of supply and ability to ensure security for Canadian consumers are not equally protected.

Mr. Duhamel: But it will make the Americans happy.

Mr. Axworthy (Winnipeg South Centre): George Bush said that he wanted a kinder and compassionate country, but we did not think he meant he would buy Canada to get it.

• (1200)

I want to go to one further reference which I think is perhaps the most serious. It appeared in *La Presse*. It was a study done by a private consulting firm, Venture Economics. It points out that in the first quarter of this year, the number of take-overs and acquisitions equals virtually all the take-overs and acquisitions of the year before. As the study points out, we now have the greatest, largest, single movement of take-overs and acquisitions in the history of this country in the first three months of 1989. What we are facing is the total and complete elimination of Canadian ownership of its subsidiaries. General Electric and Westinghouse are buying back their subsidiaries. That means that our ability to control our own economy and to make decisions in relation to the way we want to operate as Canadians are being closed off. That is part of the agenda as well.

When we look at figure after figure, and argument after argument, we come up with one very clear lesson. One of the hidden agendas in this Budget and one of the cover-ups which is taking place is that this is the next instalment in the Free Trade Agreement. This is the pay-off for the Americans that they did not get in the first round. We have paid them off in the second round in this Budget. All the attacks and eliminations of unemployment insurance, regional development budgets, transportation and agricultural programs are all designed to meet American complaints and concerns before we even get to the negotiating table.

There is this great hoax that there is going to be seven years of negotiation on subsidies. There will not be seven years, we are giving it all away in the first six months of 1989. What have we got left to negotiate, when the Government has already eviscerated and cut off the question of subsidies to unemployment insurance and transportation programs for agriculture? There is nothing left.

We begin to see once again the willingness of the Government, rather than playing it straight and telling Canadians what they really are facing in terms of an economic blueprint, have painted it over and have cosmetics on it. Instead of being forthright, it goes off and takes some more taxpayers' dollars and pays for an advertising program to tell them how great it really is.

It is not that much different from the kind of manipulation and distortion we see going on on the television screens of China this week where they announce that: "No one was really killed." While it is not severe in terms of the taking of human life, it shows the power of government to manipulate and distort, to create the kind of big lie about what is really going on through the power of its own purse and the power of the media. That is why it is so essential that we somehow try to break through that screen and dissipate the fog, to get down to things that are really of crucial concern.

I want to just touch on one other area which I believe has not received the kind of attention it should have in this House because of all the other things that have been breaking around us. That is the way in which this Budget is savaging those least able to help themselves, the most defenceless of people. We have to talk about the way in which this Government is approaching the serious tragedies occurring in the world around us.

Whether it is in the area of international trade or international aid, the Government is showing a callousness which I think is unreported since the Second World War. It takes us back to the 1930s when governments closed its doors to other countries and thought that it could exist in isolation. It thought it could somehow make itself immune from the rigours and the turbulences of the world around it. That is the kind of philosophy being adopted by this Government.

We look at the savage cut-backs to the CIDA program, of hundreds of millions of dollars. I do not care how much the Minister and the Government tries to dance around the issue, there has been a severe undermining of the basic commitment to international aid. This happens at a time when the situation in Third World countries is getting worse and not better. There are more children dying of malnutrition. There are more schools being closed down.

The wages of workers in Third World countries are falling. When the ability of those countries to invest in roads and basic industry is being reduced, this is a government which cuts back in its aid. The reason is because we are absolutely complicit. We are part of the international conspiracy to force many of those countries to pay back debts to private bankers and to use public money coming out of our treasury to the international bank to recycle back to private vaults. As a consequence,

we put the most severe extortion on the lives of the people.

If there is any one sort of embarrassment it is that we are so silent about the subject. The Minister of Finance goes off to the meetings of the OECD, or the G-7, all those great international bodies, and whether it is the Brady plan or the Baker plan, they are all designed basically to prop up the private banks of North America and Europe. At the same time, the countries of the Third World are having to totally distort their economies and ruin their environments simply to pay back those bills. We are aiding and abetting in that cause. We then compound the problem by cutting back on aid at the same time.

The North-South Institute, which I think is one of the most respected organizations in this country, and who no one would accuse of being partisan or having a political axe to grind other than the truth, what does it say about this? It says it represents probably the single most important issue to be faced by this Government. It says it both for reasons of what has to take place in the international economy, and also our own economy.

By allowing that kind of failure of the international economic system to continue, Canadians themselves have lost close to $27 billion worth of exports and a 130,000 jobs, simply because we have such a limited perspective and closed point of view. We do not understand that what is really going on in El Salvador, Brazil, or sub-Saharan Africa affects us as much as what happens on the plains of Saskatchewan or in the fishing outports of Newfoundland. We have the same kind of results and the same kind of sense of integration. When we talk about globalization, we are just not talking about big corporations running the world. We are talking about the intrinsic linkage which we have with the seven or eight billion people on this earth, two-thirds of whom are now suffering more this year than they did last year, and more last year than the year before.

One would have thought that under those circumstances and in that kind of condition, that when the Government is presenting an economic blueprint, and trying to foresee the future and look ahead a little bit, it might say: "Look, here is a fundamental responsibility of the people of Canada and through their government we intend to act." Instead, it crashes the Minister of External Aid at the knees, draws down the Budget and goes along with a plan which is designed internationally to extort money from Third World countries, where we take more in than what we give out. We are all guilty by ourselves. We will pay a price in our environment, our economy and simply as our morality as human beings.

That is why the real failure of this Budget simply goes beyond questions of what happens in the fiscal rates next year or next month.

One would have expected in a new mandate the Government would have made some effort to look at the real economic questions. The real economic questions in Canada are not the deficit reduction. That is only a small part of the problem. The real question is the economy of this country, and this country, as part of a much larger system, is undergoing a fundamental restructuring. It is going to require the best intelligence, competence, honesty and openness to bring Canadians to an understanding of what is going on, and by letting them become part of the examination of the problem and part of the solution instead of putting up walls, closing down information, and hiding behind smokescreens. The only way we can approach these very severe economic problems is through a sharing.

• (1210)

Yet we divide the country. There are labour unions which feel that they are totally isolated from any sense of participation in the management of the country. There are people arriving on VIA Rail trains who say that they do not belong to the economy of the country. They feel as if they cannot talk to anyone in the Government. There are Ministers walking out of meetings, refusing to attend others, and not holding public consultations. They try to bluster their way through. They try to crash their way through in the hope that the people will be bought and sold through this propaganda campaign we see on our TV screens every night. It is a campaign which states: "You have never had it so good. The deficit is a problem, and we are looking after it". That just will not fly.

Canadians are smarter than that. They understand. They learned from the last election when we fought out the trade issue. They have an appetite for an understanding that they have a real role to play in important

economic decisions. They cannot be bought off by glitz and glamour and heavy public relations or ad campaigns.

Mr. Soetens: That is why they voted for us.

Mr. Axworthy (Winnipeg South Centre): That is not why they voted for you. The fact of the matter is that in the last election they were bought off.

The tactic of the Government is to try valiantly to cover up that type of opportunity and to use modern techniques of propaganda, manipulation and communication distortion to get around it. It succeeds once in a while. It gets by. A negative campaign can be run. One can go around calling others liars. However, the fact is that it is coming home to roost.

We have seen in the House of Commons the Minister of Finance no longer has a shred of credibility left. No one will ever believe again that Minister of Finance. There is no longer any trust or confidence in this Minister of Finance. The only people who do have that are those who lock themselves in to the Tory caucus room on Wednesday mornings and who, through a succession of psychological cheer-leading, get themselves to believe somehow, that the world around them is all right.

Mr. Kempling: Have you been there?

Mr. Axworthy (Winnipeg South Centre): I have never been invited. I would be glad to attend. The Hon. Member has just issued me an invitation. Maybe for the first time Members of the Tory caucus would get some straight facts and honest talk if I were invited to attend.

An Hon. Member: Can you make coffee?

Mr. Axworthy (Winnipeg South Centre): The Hon. Member asks if I can make coffee. No, I cannot, but I am very good at making hemlock.

Mr. Kempling: Then take some.

Mr. Axworthy (Winnipeg South Centre): The fact is that that is the requirement that we on this side of the House believe has to take place. We really believe at this point in time in looking at the economy of Canada that there is a great deal more to be done than just zeroing in on deficit reduction as is done on the business pages or the Tory caucus room. There are fundamental questions on how to have full employment shared equally across the country in all regions so that people do not feel separated, divorced or that they are being relegated to a hinterland without any sense of concern. Canadians will still be able to have the right to choose jobs in their own region and not have to retreat or migrate to large urban areas simply to support their families.

We believe very fundamentally that we have a major responsibility to deal with a new reality of international trade and international competition. That will create for Canadians perhaps our biggest test economically. How can we get our research, development and training into some type of effective investment across the country so that we can meet those types of needs without cutting back or reducing those programs?

We believe that in terms of the environment there will have to be some serious judgments made about whether we simply promote unqualified economic growth without seeing that all that growth has very severe environmental costs. It will take some economic reform in the way we make things and do things in order to make sure that those costs will not be passed on to other generations. Those are the economic issues of our time. They are the type of things that we have to examine. We received nothing of the sort in the Budget. We have received nothing of the sort in the economic statements by Ministers. We have seen nothing of the sort in the approach taken by the Minister of Finance.

The Government is asking for approval of a borrowing authority. It needs money. What the country really needs is good, serious economic policy. It needs good management and honesty. It needs some sense of fairness.

We open a session of Parliament with certain prayers. It is probably worth it to close my remarks with a note sent to me by a constituent who puts the calamity and tragedy into its proper religious mode. It states:

> Mike Wilson is my shepherd. I am in want. He maketh me to lie down on park benches. He leadeth me beside the still factories. He disturbeth my soul. Yea though I walk through the valley of the shadow of recession. I anticipate no recovery, for he is still with me. He anointeth my small income with great taxes. My expenses runneth over.
>
> Surely unemployment and poverty will follow me all the days of my life. And I shall dwell in a mortgaged house forever.

That sums up properly the economic management style of the present Minister of Finance. What it does not set out is the enormous vacuum that exists in all the other areas of crucial economic policy. What the country is crying out for, something which it has an enormous appetite for, is some real choice, some real sense of the judgment that will have to be applied by Canadians in terms of getting our economy right, making it fair,

honest and equally shared. That is what the Liberal Party will provide.

Some Hon. Members: Hear, hear!

Mr. Nelson A. Riis (Kamloops): Madam Speaker, I appreciate the remarks of my colleague who has just spoken. I must say that when I was here first today to listen to the opening remarks on the third reading stage of Bill C-11, an Act to provide borrowing authority for billions of dollars not exceeding $24.8 billion, I assumed that the Minister of Finance (Mr. Wilson) would be here to begin the debate. Obviously he was not here. I understand why he is not. I do not think that he has any credibility left. We hear and read in every financial newspaper of the country that he should resign, consider resigning or that the Prime Minister (Mr. Mulroney) should ask for his resignation. It is not surprising that the Minister of Finance would choose not to introduce a borrowing authority calling for Parliament to support the borrowing of $24 billion.

However, one would then assume that a senior Minister, or any Minister, would introduce and explain what the Government plans to do with this $24 billion, how it plans to use it in an appropriate way or why it is necessary to borrow so much. However, there was not a single Minister here. I ask why would there not be a Minister introducing this legislation on behalf of the Government.

I now realize why. When you look at the *Budget Papers* it states the following. It states that unemployment is expected to rise in the months and years ahead. That seems to fly in the face of the arguments we heard during the last election campaign when the Government said it would be taking steps to reduce unemployment. However, the Budget indicates that unemployment levels in terms of the percentage of Canadians unemployed will actually rise in the months ahead.

It goes on to state that economic growth will slow. In other words, the economic expansion that the Conservatives promised Canadians is not going to take place. By their own admission economic growth will be curtailed in the months ahead.

It also goes on to state that inflation will increase. We know that if inflation is going to increase—and, indeed, the Budget predicts that it will, interest rates will remain high. We know that with the current government policy of interest rates, if inflation is going to creep up, as the Budget says it will, then interest rates will increase as well.

We have to ask ourselves as Canadians why it is that we tolerate interest rates being 2.5 percentage points higher than they are in the United States when we look at the prime rates comparing one country to the other. Perhaps more telling is the rate on treasury bills with respect to which there is a 4 per cent differentiation between Canadian rates on treasury bills and American rates. Why is it that our rates are so significantly higher in Canada? Can you imagine, Madam Speaker, what that would do in terms of reducing the deficit if we simply had interest rates that were more in line with those in the United States? But the Budget says these rates will go up.

• (1220)

All of a sudden I begin to understand why no Minister is prepared to stand up and explain that economic growth will slow down, inflation will increase and that interest rates and unemployment are expected to rise. Why would any Minister want to do that after all of the promises made in the last election campaign?

I want to share with you two or three experiences that I have just had in the last number of days in my constituency. I visited a cattle ranch which was founded at the turn of the century. It has been in the same family now for three generations. I drove up to the ranch gate and the family was in the yard. I walked up and noticed a sense of despondency. It was very clear. Here was a family with two children, the wife worked part-time off the ranch as did the husband. This was a large cattle operation. The family complained that as a result of the high interest rates which they had to pay on a variety of loans, they were no longer able to continue operating. That day they were expecting the salesman to come to the ranch and put up a for sale sign on it. They thought I was the salesman.

Here is a third-generation cattleman. Three generations that had built, if you like, one of the most reputable operations. They were highly regarded and hard-working people in the community who worked seven long days a week who never took holidays. They could not carry on because of the Government's high interest rate policy. They asked me why the Government continued on with its high interest rate policy. Or, more important, why there were not some programs to ease the pain. In agriculture if you are paying 12 per cent, 13 per cent, 14 per cent or 15 per cent, you know, Madam Speaker, as well as I and anyone here who understands the farming business, that it is very difficult if not impossible to sustain an operation paying such high interest rates. So they are abandoning their ranch and having the usual auction sale in the weeks ahead after three generations and moving into town. That was one experience.

Then I encountered a group of tree planters driving into town who were pulling up their camp. I stopped them and talked to the group of about 15 young tree planters. They asked why the federal Government had decided not to continue on funding its reforestation programs because the Province of British Columbia was prepared to put up a substantial amount of money in that regard. However, the Province had received word that the federal Government was abandoning, in a sense, the whole matter of reforestation, Canada's No. 1 export industry which requires continuing development. These young people understood that when you cut a tree it needed replacement. As a matter of fact, three trees should be planted each time one is cut out so that over time some of the poorer plants can be culled out. They said that presumably the federal Government had decided not to fund tree planting, reforestation, thinning and spacing programs in the future and asked why. Why would that be when obviously reforestation played such a critical role in the long-term development of that No. 1 export industry of the country?.

Then I happened to drop in on an acquaintance who runs a fishing camp. This operator was at his wit's end. He had just been informed by the news media last week that the federal Government was going to impose a 9 per cent sales tax on all of the services that he provides in his fishing camp. He said, quite frankly, that if he has to add 9 per cent to his costs he cannot continue in business. He cannot continue because it is such a marginal and tight operation. It is difficult to get tourism funding these days. Essentially it is an arm of the tourist industry. He asked why the Government would do this when he and others are trying to employ a few people and build a critical sector for the future? Why does the Government want to impose a 9 per cent sales tax on all of the services provided.

I told him that the Government had just announced that it was not going to continue to renegotiate its tourism agreements with the provinces. He could not believe it because here was one small area where the federal and provincial governments work together encouraging the development of new tourism enterprises and the Government has announced it will not continue with the shared programs. Perhaps it will rethink this through the Western Diversification Fund although it is being cut back as well. I said I do not suppose you noticed it in the Budget but the Government has cut out a third of the tourism of Canada funding because it said there is not need now to encourage people to visit Canada. I believe, Mr. Speaker, the Government knows something which the rest of us do not.

Why encourage people to come to Canada when one of the major travel vehicles is VIA Rail. On the one hand the Government is cutting out—gutting if you like—the whole VIA program. The cynicism is evident. When you are a country like the United States and see the tourism ads, Americans are encouraging people to come to Canada and travel by VIA Rail across this great country. At the same time the Government is hacking out chunks of VIA Rail service yet using VIA Rail as a kind of incentive for people to visit Canada. The Government is cutting out tourism advertising overseas, Mr. Speaker, by reducing significantly the amount of tourism funding for federal-provincial agreements. On top of that it is slapping a 9 per cent sales tax on all services provided in that sector. As the Conference Board of Canada study said last week, Mr. Speaker, the tourism sector would be the hardest hit of the economy as a result of the new national sales tax to come into force on January 1, 1991.

I have spoken about the fishing camp operator, the tree planters and the cattleman. I could go through another list of people from last weekend's visit to the constituency who find it incredible what this federal Government is doing to them. Senior citizens have given up. There will be 128,000 senior citizens who will either have their whole old age pension or part of it clawed back. In our discussions they told me that they thought that when you reached 65 years of age you could expect the old age pension as a result of citizenship in this great

country, that that is what it means to be a citizen of Canada. But that will no longer occur.

What has happened with this last federal Budget? Some seniors who have worked hard, and who have made investments, setting aside money during their years to provide for their retirement will not get the old age pension. It seems to be a strange motivation to us that if you work hard, save for your retirement and have some modest investments that you will not get that old age security cheque.

It is the same with family allowances, Madam Speaker. There are half a million families affected who will not get all of their family allowance cheques because they will be clawed back. All this happens at a time when tens of thousands of large profitable corporations do not pay any income tax whatever; Alcan Aluminum and Hees International to name two. Tens of thousands of profitable corporations do not pay any income tax but this Government says to old age pensioners like my dad, "we're going to claw back your pension."

People are perplexed. They do not understand why this Government is clawing back family allowances and senior citizens pensions while at the same time Hees International, Cadillac–Fairview and Alcan Aluminum pay no income tax at all in spite of hundreds of millions of dollars in profits. People cannot believe a Government would do that.

When no Minister of the Crown stands up to introduce this particular third reading stage of the debate to tell people what the Government is doing, I can understand that, I do not think I would want to stand up either. I would not want to remind people that day care had been promised especially when there are two million children who require licensed day care in Canada.

• (1230)

If I were the Minister of Finance I would not want to say that I knew we promised to introduce legislation to take care of that, but we are abandoning that commitment and breaking that promise. That is effectively what the Minister has said. He has said that the Government has broken the promise made to two million children that it would provide decent child care. How crass, how cruel, how uncaring can the Government get?

The list goes on and on. I do not recall hearing the Minister of Finance or the Prime Minister, when they were travelling throughout western Canada, saying that as soon as they get elected they would start abandoning support for the regions. I do not recall hearing them say that, but in this Budget that is what they have done. They have cut back on the western diversification fund and are eliminating regional development programs in both the West and the East.

To make matters worse, the Government is cutting out many of the benefits that flow from unemployment insurance. A fisherman in an outpost of Newfoundland who fishes for a number of weeks of the year should, because of the state of the regional economy, collect unemployment insurance benefits for a number of weeks, but he will no longer be able to collect some of those benefits, and the same is true for fishermen on the West coast. There are fishermen here today who are trying to explain to the Government the realities of the regional economies. The Government is taking the fairness out of being a Canadian by cutting back on unemployment insurance support. It is cutting back on funding for western diversification and funding for Atlantic Canada.

We have heard a lot about the environment in the last little while. The Minister of the Environment and the Prime Minister say that they have now been converted into environmentalists. All of a sudden they are concerned about the environment. We must have faith in them and believe that they are telling the truth this time. I have a difficult time believing that they are telling the truth.

What did the Government do about the environment? Hon. Members will recall that the Government eliminated the Canada Oil Substitution Program. That was a program that was attempting to see that we are not so dependent on the non–renewable resource, fossil fuels. The Government cut out that program. Then it eliminated the Canadian Home Insulation Program which encouraged people to insulate their homes properly. The Government decided to remove this encouragement, and it did. Then it cut out the Canadian Energy Audit Program. Many Canadians used this program to have their homes audited to find out if they were energy

efficient. The Government cut out that program. Then it cut out the Atlantic Energy Conservation Investment Program, the Solar Energy Demonstration Program, the Remote Community Demonstration Program, the Forest Industry Renewable Energy Program, and the Industrial Conversion Assistance Program.

Of all the programs that have been developed over the last number of years to encourage conservation, the Government has virtually eliminated every single one of them. Yet, it has the audacity to say that it supports environmental issues. There is little evidence of that. The proof of the pudding is in what has been done with the environmentally sensitive programs that have been developed over the last number of years. The Government has eliminated virtually every one of them. Now I understand even better why no Minister rose to explain this program.

What about co-operative housing? Anyone who has visited or lived in a co-operative housing project knows that it has advantaged so many people and that the program is sought after by hundreds of thousands of Canadians. It enables people to live in decent accommodation at affordable prices. What has the Government's approach been to ease the housing crisis through a program that exists from coast to coast? Every major community has developed a popular, accepted and admired co-operative housing program. In its Budget the Government is reducing funding for co-operative housing. It is to be capped this year and reduced significantly in the years ahead. That option for future development and growth has been eliminated.

What are some of the ways for the federal Government to assist small businesses to expand, build new product lines, and create more employment? The Federal Business Development Bank management services have been one of the more positive aspects of the Federal Business Development Bank. There have been a number of concerns about its existing mandate as it is being interpreted, but the management services program was sought after by many people going into the small business sector, particularly those doing so for the first time. The Government announced that it would curtail these services. It said that this program offering advice and encouragement would not continue into the future.

On top of that, the Government decided that it was not necessary to maintain support for post-secondary education. We know unquestionably that the economy of the future will be knowledge and information based. It will require sophisticated skills and abilities in research and development through to production, requiring more education than ever. At such a time, the Government is starting to cut back on support for post-secondary education to the provinces.

I suppose the most discouraging aspect of this lately was the Government's decision to cap programs for young native students who want to obtain training at the post-secondary level. Can Hon. Members imagine anything more sinister than saying to young native people who are qualified and want to go on to post-secondary education that the funding will not be there? The thousands of young native people who want to go to universities, colleges, technical schools, and similar institutes will not have that opportunity because the Government is capping funding for these programs.

I see you are indicating that unfortunately my time is up, Madam Speaker. We oppose this Bill as strongly as we can. The Government that wants to borrow $24 billion is telling us that it will increase unemployment, slow economic growth, increase inflation, and keep interest rates high. At the same time, it is telling us that the deficit will actually go up next year and the year following.

I have to say that this is a Government that has not managed its affairs well. This is a Government that has no idea of where it is going. It does not know where it is taking this country. It is simply dismantling it and handing it over to the United States as a result of the trade deal. After 120 years of building, in just a few short months there has been all kinds of evidence to indicate that our country is being dismantled.

In conclusion, I want to say that Hon. Members should not be surprised when we rise in our places during the vote to oppose Bill C-11, the Bill that would provide the Government permission to borrow $24 billion.

Mr. Sobeski: Madam Speaker, I would like to make a few comments about the speech made by the Hon. Member and about some of the misinformation we were given about Old Age Security payments. Old Age Security payments are not being reduced and the Hon. Member knows that. He knows that Old Age Security

payments are fully indexed and therefore will increase in future years.

The Hon. Members know that individuals receive their Old Age Security payments monthly and that they all cash their cheques without any means tests. These payments have been subject to income tax for many years. The Budget, as the Hon. Member is also aware, is using the tax system to recover payments from high income Canadians. Those measures will improve the security of our social safety net by ensuring that our social programs provide assistance to those Canadians who need it and do not subsidize high income Canadians who do not need assistance.

• (1240)

At the present time three million Canadians receive the Old Age Security cheques each month. Of that number 4 per cent have annual incomes in excess of $50,000. However, only 1.8 per cent of those Old Age Security recipients, those with annual incomes in excess of approximately $77,000, will pay back 100 per cent of their Old Age Security payments. One can imagine the amount of income that is needed. A person may have a large pension from work and may have $250,000, $350,000, or $500,000 in the bank in order to earn the investment income to bring their earnings up to the $77,000 limit. Perhaps the Hon. Member forgot to cover those in his notes.

I want to ask the Member a question about VIA Rail. Where would the Hon. Member get the money to cover the $600 million subsidy for VIA Rail? He gave us a travelogue when he started his address. I do not think he was travelling by train. I think that his press agent was driving him around by car.

The Member also talked about the plight of a third generation farm. It is probably a corporation. Is that one of the 80,000 corporations that did not pay tax?

VIA's ridership is 20 per cent lower than it was in 1981. From 1986 to 1988, while VIA's revenue did increase 7 per cent or some $15 million, the increase in operating cost was 10 per cent or $66 million. For every dollar of revenue that came in, the operating subsidy increased by $2.62. In other words, VIA's financial performance is worsening and not improving. I ask the Member to indicate where he would get the $600 million to cover the deficit that VIA is running.

Mr. Riis: I appreciate the questions from my hon. friend. I will attempt to answer them, perhaps in reverse order.

Was the cattle ranch that was going bankrupt one of the large corporations that did not pay any income tax? No, because it was not profitable. The 60,000 corporations to which I referred were profitable. For example, Alcan Aluminium, Hees International, and Cadillac Fairview. There are 60,000 corporations like those with profits some years in excess of $300 million that paid no income tax. No, it was not the cattle ranch, because that man was forced to sell his ranch because with the high interest rate policy he could not make any profit.

The Hon. Member asks if I support a means test. I know the Hon. Member supports a means test because he is saying if a person makes more than a certain amount, obviously he or she has the means and does not need to keep the amount of money received in old age pension cheques. I dissociate myself with that view.

There are hundreds of thousands of people from around the world who would love to be Canadian citizens, because they know that there are certain rights and privileges associated with citizenship, as well as obligations and responsibilities. As a Canadian citizen, you can send your children to high school without paying premiums or extra charges. If you are sick, you can go to the hospital and be cared for. Unlike the United States, one does not need to carry a charge card. When a citizen is aged 65, he or she is eligible for a pension.

What we are hearing from the Conservative Government is that this year it is going to claw back the pension from certain senior citizens. It is saying to certain citizens: "You made so much money you do not need a pension cheque." Next year, perhaps the Government will say to certain citizens: "You made so much money you do not need to receive medicare like the rest of Canadians, you have to take your credit card with you, your children now have their high school education paid for through the tax system," or "you have enough money so you can pay extra premiums for your children."

Where does this mentality end? Once you break what it means to be a Canadian citizen, then the whole system begins to unravel. We have to part company at this point and say that Conservatives like the idea of a means test; others of us do not. I do not suppose we can argue to

convince one or the other that we ought to change our minds on that.

I now wish to address the matter of VIA Rail. I am sure that my hon. friend did not attend any of the VIA hearings that were held across Canada. If he had attended those hearings, he could have listened to the dozens of experts on all aspects of passenger rail service. They indicated if an enterprise is to succeed, there has to be investment capital to allow it to succeed. If one wants to curtail operations, then do what the Government has done.

When the present Deputy Prime Minister was Minister of Transport, I remember him stating in the House that we can make VIA Rail a viable enterprise. We can make VIA Rail the most exciting transportation system in the world. I remember the speeches time after time of how committed he said his Government would be to develop VIA Rail properly. That would require the proper investment in infrastructure. There has to be decent cars, decent tracks, a decent relationship between CN and CP, and a decent ticketing system. In other words, provide the resources to allow VIA to do the job.

I do not know if my hon. friend has ever ridden on VIA Rail. If he had ridden on VIA Rail, he would know that the frustration that exists with the people who work for VIA is unbelievable. They cannot do the job they know they could do because they have been hamstrung, the resources have been held back, and they have to offer a mediocre service in most parts of the country. Of course, for understandable reasons then, people do not take advantage of it.

As any good business person knows, to be successful there have to be the appropriate investments. The Deputy Prime Minister and previous Minister of Transport knows full well what those investments are. He spent hours articulating them for the previous Liberal Government. He spent hours and hours indicating what had to be done to make VIA a financial success. Then the players changed. The Liberals went to the opposition benches, and the Conservatives went to the government benches, and nothing happened. As a matter of fact, it worsened. There were cuts, cuts, and cuts. It is not surprising that today we find VIA Rail in obviously very serious economic and financial difficulty.

Over the weekend we had the benefit of listening to Dr. Kenneth Hare. He spoke publicly on the environmental implications of eliminating much of VIA Rail passenger service. He pointed out that, particularly in the heavy corridor of central Canada from Windsor to Quebec City, if good passenger rail service is eliminated in that corridor, it is the only transportation system that is virtually guaranteed against the weather. In terms of future environmental problems, we should be developing a modern, first-class transportation passenger service in that corridor. One of the most eminent scientists on environmental matters that this country has ever seen was arguing that the Government should not proceed with its plans to dismantle VIA.

I do not know if I have answered the questions of my hon. friend adequately. In terms of a summary, no, the ranch was not a profitable corporation that was not paying income tax because it had gone out of business. Yes, I do not believe in a means test for senior citizens' pensions. Give VIA Rail the tools to do the job, give it the time, and, I use the words of the Deputy Prime Minister, "it would serve us well." Other than those points, I do not think I can add much more to the questions of the Hon. Member.

The Acting Speaker (Mrs. Champagne): The period for questions and comments has now expired. Resuming debate with the Hon. Member for South West Nova.

[*Translation*]

Mrs. Coline Campbell (South West Nova): Madam Speaker, I have the honour today to speak on Bill C-11 concerning this Government's borrowing for the current fiscal year.

• (1250)

[*English*]

I have spoken at second reading and I have had occasion to pick up from that time when I spoke on the Borrowing Bill. At that time I mentioned what this Government will achieve during this fiscal year in hurting the poorer regions of this country. I mentioned the changes in the Unemployment Insurance Act, the financing arrangements with the provinces, and the cut-backs.

An Hon. Member: Hand-outs.

Mrs. Campbell (South West Nova): Call it hand-outs. If you come from Edmonton, I am sure you have had a few in the past, too. You may call it hand-outs. I call it what it means to be a Canadian—equalization.

An Hon. Member: You're not going to—

Mrs. Campbell (South West Nova): I am sorry if that is your attitude; you do not want to hear what Canada is all about from somebody from the East.

However, I would like to say that the fiscal arrangements under the financing program are cutting back moneys to the poorest areas in Canada. As well, at that time I mentioned the fishery policy of this Government.

Today, I had the honour of meeting a coalition of fishermen, representatives from fish plants, and fishermen from the West Coast. They come to us with a very real problem, a problem that, coming from a fishing area in southwestern Nova Scotia, I have to say I can see is a potential problem to the East Coast as it is presently a problem on the West Coast.

What is that problem? The Government instituted a policy that prohibited the exportation of salmon and herring to the United States. If we just take salmon itself, of course we know the history of it. In 1986, the federal trade representative in the United States brought the action to the GATT. GATT said that this was against its principles and that we could not prohibit the export of whole fish.

An Hon. Member: Do you agree?

Mrs. Campbell (South West Nova): Just let me get to that. I am of the opinion that there are times when the national good overcomes any international institutions.

In this case, I can show you where the Americans can talk with one voice about how good the GATT is and how poor the GATT is on the other side. GATT ruled and the Government succumbed. It lifted the prohibition on the exporting of unprocessed whole fish to the United States. Then our federal Government decided that it would at least not offend the GATT by putting in the landing requirement, that is, that the fishermen who caught the fish at least had to land them in Canada.

On the East Coast we are very lucky. In the Free Trade Agreement it is grandfathered that the fish in the inshore must be landed in a Canadian port. However, on the West Coast that is what they are presently arguing with the United States. The Minister for International Trade (Mr. Crosbie), who speaks for fish and trade, says that we must land the salmon in B.C. for purposes of management and conservation of our stocks. The United States is arguing that point.

I say to you, Madam Speaker, and to the government back-benchers over there who want to laugh at some of the problems of Canada that I have recently seen the American Government use the Omnibus Trade Bill against hogs in Canada being exported to the United States. They used this section to impose a countervail on the hog industry. The Americans would not wait for GATT, that was seized with looking at all agricultural subsidies in our international trade. The United States has agreed to wait for that, as has Canada, under the Free Trade Agreement. They could not wait until the Uruguay Round under GATT for the multi-trade negotiations to have analysed at least what was a subsidy within the international agriculture community. The Americans used that Omnibus Trade bill, the one which we thought before the Free Trade Agreement would never be used against Canada. The Americans used it unilaterally, without any discussions, to put a countervail on the hog industry.

The subsidy happens to come right down to the amount of the stabilization program payment to the hog producers. It is just a coincidence. It tears apart our whole stabilization program in agriculture in one decision in the United States that they would not wait for GATT. They would not even send it to the new subsidy committee, if the co-chairman has been picked for Canada. All the other officials and the mechanism are there to study subsidies over the next five year to seven years. They just did it unilaterally. Bingo. By the middle of July we will know whether it stays on or not.

All this Government is asking for is: "Tell us the means by which it got to a countervail. Tell us how you did that." It used to be they had to look at damage. They had to look and see if there was a subsidy first and then damage. Not now. The Omnibus Trade Bill has been used. It has been used against a friendly trading partner who just entered into a free trade agreement with the United States. It has been used against us.

We see from the coalition of fishermen and fish workers who have come from the West Coast that the Government cannot even put on a regulation without it being challenged, again by the United States, a landing requirement to manage and conserve the stocks within our 200-mile limit over which we have jurisdiction. That is what our trading partners are doing in our natural resources on the West Coast.

When are we going to say to National Sea or to Nova Scotians that they cannot send those 4,400 metric tons that National Sea sent over to the United States unprocessed last year will that be in violation? What will that violate? Let me explain it clearly.

We can presently send unprocessed fish because there is no regulation which says not to send. This is a year of crisis in the fisheries on the East Coast because there is no groundfish. If the federal Government decided to say that we are not going to send our groundfish whole, unprocessed, to the United States, then again it would be in violation because the U.S. would go back to the GATT.

I say to the gentleman over there that I am for anything that protects our natural resources and anything that stops that type of exploitation by the Americans against the most unprotected areas in Canada. Those areas are not run by multinationals. The fisheries is strictly a Canadian fishery, and we certainly should be able to say whether we will process here or not our fish to the finished point. Yes, if it means taking a ban against sending whole fish to the United States, I agree with it.

I certainly hope that the government will listen to the concerns of this west coast group because it is going to happen continually across our great country that our industry is going to be eroded because it hurts some aspect of the United States. They do not even have the decency to wait for the mechanism of the Free Trade Agreement to come into place or, as we have seen in the hog industry, for the GATT negotiations in Uruguay to finish.

The group that we met with today say that "Canada is the world's largest fish exporter but 4,000 B.C. shore workers and an equal number of Maritime workers face lay-offs while unprocessed fish moves south. Our greatest export industry, the mainstay of our coastal economies, is at stake if we fail to act."

I would now like to move to another area. In a few short weeks of governing, as one has to say about this Government which has been governing since November, it brought in a new program for the Atlantic Canada Opportunities Agency. A lot of Members find themselves going home on the weekend and sharing the concerns of the people who put in many hours and whose applications were there for almost a year.

May I call it one o'clock, Madam Speaker?

[*Translation*]

The Acting Speaker (Mrs. Champagne): The Hon. Member can continue after the Oral Question Period.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

MINES AND MINING

MINERS' MEMORIAL DAY IN CAPE BRETON

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, in 1937 George Orwell vividly described the life of a coal miner in these words: "In the western world the coal miner is second in importance only to the man who ploughs soil".

He went on to say that most of the things one imagines in hell are there; heat, noise, confusion, darkness, foul air and, above all, unbearably cramped space.

Yesterday, June 11, 1989, was Miners' Memorial Day in Cape Breton. We are reminded of the important role coal mining has played in the history of Cape Breton. Although many mining methods have changed since Orwell's time, the unique character of the miner, the courage and strength that Orwell so well described, have not.

The devastating fire at No. 26 colliery in Glace Bay, Nova Scotia, brings home once again just how dangerous a profession coal mining is and how the people of Cape Breton have continually had to struggle against adversity. As we turn back the pages of history we remember the tragic loss of 69 men in 1917 in the methane gas

explosion which took place in the Lingan mine, and the explosion in 1979 in Glace Bay. We especially remember the origins of Miners' Memorial Day which arose from a six year series of protests culminating in the strike of 1925 and the death of William Davis.

We can be proud of the coal mining tradition of Cape Breton and at this time we remember the contributions of all miners and all their families and above all, we honour those who lost their lives in those tragic accidents.

* * *

RAILWAYS

VIA RAIL SERVICE

Mrs. Christine Stewart (Northumberland): Mr. Speaker, hundreds of constituents in my riding of Northumberland have presented me with petitions and briefs on how the Conservative Government's cuts to VIA passenger rail service will adversely affect our community. Affordable housing and a better quality of life depend on the growth of non-metropolis areas and VIA Rail is fundamental to such growth and development.

In 1988, over 160,000 passenger rail trips originated and ended at the three Northumberland station stops of Port Hope, Cobourg, and Trenton Junction.

Last week I was presented with a motion from the city of Peterborough who, through their Conservative Member, requested a meeting with the Minister of Transport (Mr. Bouchard) concerning the outcome of their regional line, Toronto to Havelock. They were informed that the Minister is unwilling to meet with community groups.

Canada's transportation system is a necessity to my riding, to Peterborough and to the nation. By refusing to consult with communities, once again we see the Government's disregard for the democratic process.

The constituents of Northumberland, of Peterborough and across Canada, depend on VIA Rail. We cannot allow this necessary service to become derailed.

PHARMACEUTICAL INDUSTRY

EXPANSION OF SANDOZ CANADA INC.

Mr. René Soetens (Ontario): Mr. Speaker, Friday, June 9, was another very positive day for Canada and for my constituency of Ontario.

It was my pleasure to assist in the official opening of a 160,000 square foot enlarged facility in Whitby for Sandoz Canada Incorporated. This plant continues the commitment made by the pharmaceutical industry when the Drug Patent Bill was passed by the Conservative Government in the last Parliament.

Along with outlining the many research and development projects funded by Sandoz in excess of their commitments, their president made additional comments of which I quote:

> The commitment of $17 million has given us the possibility of developing our business in directions which were not open before. Now available thanks to the Free Trade Agreement, the U.S. market could mean a lot to us all. In addition to enhancing our already significant position in the Canadian pharmaceutical industry, we have become a major operation of Sandoz on a world-wide basis.

This is just one example in my riding of good Conservative Government policies creating jobs for Canadians. I look forward to returning here soon to point out many other successes that exist in my riding.

* * *

THE LATE CHARLES RUTHERFORD, V.C.

Mr. Bill Kempling (Burlington): Mr. Speaker, yesterday Canada lost another of its great heroes. Charles Rutherford, the last remaining Canadian Victoria Cross winner from the First World War, died at the age of 97.

Mr. Rutherford was awarded the Victoria Cross, the Commonwealth's top award for gallantry, for his actions in France in August, 1918. The young Lieutenant with the Fifth Battalion of the Canadian Mounted Rifles first took on three enemy machine gun crews. That accomplished, he then attacked a pill box containing a Lewis gun section. In all, he took 80 prisoners.

Today's story about him tell us that Mr. Rutherford never talked about being a hero. He was just relieved to have survived the horror that was the First World War.

But he was a hero, one of 70 Canadians who were awarded the Victoria Cross in the First World War. They were an inspiration for a nation, the individual standouts in a Canadian force that won so much honour in the First World War.

It has been said that Canada was born as a nation during 1914 to 1918. If so, then we were very blessed in having founding fathers such as Charles Rutherford, V.C.

Our sympathy goes out to his children, grandchildren and great grandchildren.

Some Hon. Members: Hear, hear!

* * *

IMMIGRATION

PLIGHT OF REFUGEES

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, this Government is throwing real refugees back into their land of persecution and obstructing justice before the Supreme Court of Canada.

On January 3, the Canadian Council of Churches asked the Supreme Court to declare that the newly amended Immigration Act denies the legal rights of refugees in Canada by violating the Charter of Rights and Freedoms and the Bill of Rights. The churches' brief shows how 88 sections of the Immigration Act limit or deny a person's right to counsel, subject certain classes of people to cruel and unusual punishment, fail to provide fair refugee hearings, or fail to protect refugees' life, liberty and security of person.

A consensus of constitutional law experts in Canada made these same objections to the House of Commons and the Senate, but the Government refused to answer with any defence.

Now this Government refuses to give any defence before the Supreme Court. Instead, it asked the Supreme Court to deny the Council of Churches the right to be heard in court. On April 26, Judge Rouleau threw out all the Government's frivolous and deceitful arguments and ordered this Government to file its defence in 10 days. Forty seven days later, the Government still refuses to file its defence and cynically appeals Judge Rouleau's decision. Also, it hurries to deport more hundreds of refugees under this unjust and unconstitutional law. Shame on the Government.

S. O. 31

MULTICULTURALISM

INITIATIVES FOR IMPROVING RACE RELATIONS

Mr. Lee Richardson (Calgary Southeast): Mr. Speaker, last Friday in Vancouver, the Hon. Minister of State for Multiculturalism and Citizenship (Mr. Weiner), announced three major initiatives aimed at promoting improved race relationships in Canada. The first will provide funding for the Canadian Association of Chiefs of Police for a 10 week summer intern training project in Vancouver for 10 visible minority youth to familiarize themselves with the various facets of police work.

The second project involves commissioning Internal Briefing Associates of Vancouver to develop a national action plan for measures leading to improved relations between the police force and minority groups. This will be developed in close consultation with the Canadian Association of Chiefs of Police, its police minority liaison committee, the Solicitor General (Mr. Blais) and other policing officials. This project will be discussed at the next meeting of federal, provincial and territorial Ministers responsible for human rights in March, 1990.

Finally, the federal Government will provide financial support to the city of Vancouver to establish the Hastings Institute, a training centre aimed at helping local organizations deal with rapid social and workplace changes. Let us all support these bold initiatives to promote unity and equality among all Canadians.

* * *

THE PHILIPPINES

NINETY-FIRST ANNIVERSARY OF INDEPENDENCE

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, today marks the ninety-first anniversary of Philippine independence. On June 12, 1898, the Filipino people courageously proclaimed their national identity and reclaimed their democratic heritage. Recent Philippine history once more demonstrated their commitment to the ideals of freedom; equality, understanding and peace.

Events taking place in other parts of the world right now remind us of the value and the fragility of these ideals. Let us salute and join the Filipino people and Canadians of Filipino origin in their commemoration of this historic day. I am sure that we in the House can share in their celebration by re-dedicating ourselves to

improving the workings of democracy in the Philippines and other parts of the world.

* * *

• (1410)

[*Translation*]

THE ENVIRONMENT

NEW AMERICAN STANDARDS FOR CLEAN AIR

Mrs. Marie Gibeau (Bourassa): Mr. Speaker, I welcome this opportunity to point out to my constituents in the riding of Bourassa who have written to me on this issue and to all my fellow Canadians that today, Canada has passed a major milestone in its fight against acid rain. After repeated representations by the Prime Minister (Mr. Mulroney) to the U.S. Government for more than four years, President Bush has finally announced new standards for air purity and proposed amendments to the clean air legislation. This initial measure represents the results of many years of negotiations by our Prime Minister and demonstrates his determination to do everything in his power to persuade our neighbours to the South to do their share in the fight against acid rain. I therefore urge our Prime Minister to continue his representations to the U.S. Government, since they have proved so effective.

* * *

[*English*]

RAILWAYS

VIA RAIL SERVICE

Mr. Rod Murphy (Churchill): Mr. Speaker, Canadians need VIA. I rise in the House today to remind the Conservative Government of that fact.

Let me also remind the governing Party that on August 27 of 1987 they legislated striking railway workers back to work. In defending that decision to the International Labour Organization, the Conservative Government stated the following: "The government stresses the unique circumstances which make the Canadian economy highly dependent on rail transportation: —severe climatic conditions, geographic dispersion, and, in many instances, the virtual absence of viable economic alternatives to rail transportation.

The Government submits that railways have always been and continue to be of critical importance for the welfare of the Canadian public. Numerous small communities are dependent on the railways for their very existence".

Finally, I have a direct quote from the Government of Canada which states: "Without railways there would be and there could be no Canada".

I cannot urge the Government strongly enough to heed its own words, and save our passenger rail system.

* * *

THE ENVIRONMENT

U.S. GOVERNMENT ANTI-POLLUTION PROPOSALS

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, as an MP from Atlantic Canada, I applaud the tough anti-pollution proposals being signed by President George Bush which will result in some of the toughest rules ever in the U.S. Clean Air Act. It has taken extensive efforts on behalf of all eastern premiers, New England governors, the Prime Minister (Mr. Mulroney), and a new co-operative attitude in Washington to achieve this significant step.

Acid rain has damaged thousands of our lakes and many of our forests and it is encouraging to see this united international effort on both sides of the Canada-U.S. border acting in the interest of improving our environment and reducing acid rain.

We look forward to Canada-U.S. negotiations of a bilateral acid rain agreement and urge the Prime Minister to keep up the momentum begun by the Great Lakes Water Quality Agreement, the Montreal protocol, the Niagara River Clean-Up Agreement, the tough new rules signed today and soon, hopefully, a bilateral acid rain agreement.

* * *

THE ENVIRONMENT

OLDMAN RIVER DAM PROJECT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the Oldman River, the last free-flowing river in southwestern Alberta, is slated to be dammed for irrigation. A few

hundred ranchers will reap the benefit, while the environment, the Peigan Nation and the people of Alberta will pay the costs.

The impact of this dam on the native people and fisheries are sufficient to merit referring the Oldman Dam to the federal environmental assessment and review process, a process now mandatory because of the recent ruling by Judge Cullen on the Rafferty–Alameda Dam.

The Friends of the Oldman River laid charges under the federal Fisheries Act against the Province of Alberta for destroying fish habitat. The Department of Justice took over the case, but has yet to proceed with the prosecution. Why is the federal Government hesitating? Why is the federal Government not living up to the commitments it made to a wide range of environmental issues?

* * *

THE ENVIRONMENT

OLDMAN RIVER DAM PROJECT

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I also would like to bring to the attention of the House the very serious problem of the Oldman River dam project in southern Alberta.

As in the case of the Rafferty Dam in Saskatchewan, the Alberta Government has made very little effort to assess the impact of this dam on the local economy, the local Peigan people and on the environment generally. The dam will destroy a very precious resource, the pristine wild Oldman River. The dam will destroy wildlife, marshland, fishery habitat, cottonwood forest and archaeological sites.

The federal Government must become more active and more involved regarding the questions concerning native relationships with this valley, including the rights guaranteed to the Peigan people in Treaty No. 7.

Environment Canada should provide important documentation to the organization, Friends of the Oldman River, and ensure adequate public hearings take place into this dam project. This dam issue provides the federal Government with an opportunity to go beyond rhetoric and demonstrate a commitment to environmental issues by demanding a full environment and cultural impact assessment of the dam project.

Let this Oldman River just keep rolling along.

S. O. 31

THE ENVIRONMENT

PROPOSED CHANGES TO U.S. CLEAN AIR ACT

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, today U.S. President George Bush announced he is sending to Congress proposed changes to the Clean Air Act which will reduce significantly acid rain emitting from the United States.

When asked at the meeting of eastern Canadian premiers and New England governors this past weekend, John McKernan, Governor of the State of Maine, had this to say of the role of the Prime Minister (Mr. Mulroney) in bringing about this new acid rain initiative: "Frankly having the support of Prime Minister Mulroney as well as the premiers of the eastern Canadian provinces—has made a big difference in forcing the United States to take this issue more seriously."

I know all Members of the House will join me in welcoming this announcement from the President of the United States and congratulate the Prime Minister for his leadership on this most important issue.

* * *

GUATEMALA

NATIONAL DIALOGUE FOR PEACE

Hon. André Ouellet (Papineau—St-Michel): Mr. Speaker, I would like to draw the attention of the House to the violent and unstable situation in which the people of Guatemala are currently living, particularly to the dangers threatening delegates of organizations participating in the National Dialogue.

I am making particular reference to Mrs. Marta Torres of Vancouver, who is in Guatemala as a participant in the National Dialogue. Death threats continue to be directed to Marta Torres and to other Canadian and American participants.

I am therefore calling upon the Canadian Government to request that the Government of Guatemala, including more particularly the Minister of Defence in Guatemala, officially guarantee the safety of Mrs. Torres, of the members of the RUOG, Representation of the Opposition in Guatemala and of other participants in this National Dialogue for Peace.

Oral Questions

ORAL QUESTION PERIOD

[*Translation*]

THE BUDGET

REQUEST AS TO WHETHER MINISTER IS WILLING TO MEET CANADIANS

Mr. Douglas Young (Gloucester): Mr. Speaker, last week, the Minister of Finance announced that the Canadian Government was launching a huge propaganda campaign to explain to Canadians the reasons for his sneak attack on the taxpayers of this country. People all over Canada already realize that this hardnosed Budget constitutes an all out attack on the Canadian family.

I have the following question for the Minister of Finance: If he is so convinced that his budgetary measures are justified, is he prepared to come with me this afternoon to meet Canadians from all parts of the country who have come here to Ottawa to tell him what they think of his Budget?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I want to say to the Hon. Member that, yes, I am quite confident of the merits of the Budget and its importance to the future of our country and its ability to maintain, build, grow and develop the social programs which Canadians feel are important.

We all know that the size of the Government debt is too high. The amount of money which we spend each year on interest costs is too high relative to our over–all spending. It is for these reasons that we must get the annual deficit under control.

The size of the Government debt is something that his Leader has talked about on a number of occasions. This is the direction which the Budget takes. This is what we are trying to achieve. We believe quite strongly that this will lead to a stronger and more prosperous Canada.

[*Translation*]

Mr. Young (Gloucester): Mr. Speaker, it is clear the Minister failed to understand the question.

[*English*]

We have a group of people here this afternoon who I am sure would like to hear directly from the Minister why he feels so strongly about his Budget.

EFFECT ON LOW AND MIDDLE INCOME CANADIANS

Mr. Douglas Young (Gloucester): This propaganda campaign launched by the Minister of Finance is an attempt to explain his massive tax grab which will take billions of dollars out of the pockets of low and middle income Canadians, while wealthier Canadians pay much smaller increases over–all.

Does the Minister of Finance think that it is fair that low and middle income Canadians are being forced to pay nearly the entire bill for his mismanagement of the economy over the last five years?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, that last statement is a gross misstatement of fact.

Some Hon. Members: Oh, oh!

• (1420)

Mr. Wilson (Etobicoke Centre): It is there precisely in black and white in the Budget. In this particular Budget there is $1 billion more tax on corporations. There is a high income surtax on Canadians who are earning roughly $70,000 or more.

The impact of the income tax changes on Canadians is roughly .1 per cent or .3 per cent in the lower income brackets. It rises to over 1 per cent for people who are earning $100,000 or more.

Clearly, we have a very progressive Budget here. It is affecting people in upper income brackets to a much greater extent than is the case with people in the lower income brackets.

Furthermore, there is an increase in the offset to the sales tax changes so that those people in lower income brackets are protected from the changes in the sales taxes in this Budget.

Mr. Young (Gloucester): Mr. Speaker, it is also a fact that the national debt has doubled in the last five years.

[*Translation*]

JUSTIFICATION OF CERTAIN EXPENSES

Mr. Douglas Young (Gloucester): Mr. Speaker, my last question for the Minister is as follows: The federal Budget has cut funding to VIA Rail, regional development, post-secondary education, unemployment insurance and so forth. The advertising campaign announced by the Minister which will cost millions of dollars, money that, incidentally, will go to fill the coffers of friends of the Conservative Party, will not succeed in making people accept this unfair and petty Budget.

My question for the Minister of Finance is this: Doesn't he think that the money for the advertising campaign would be better spent helping the homeless and those who are lining up in front of soup kitchens across Canada?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am not sure of what publicity campaign the Hon. Member is talking about. We have put out a number of documents that describe the Budget. This is normal practice and something that has been done for many, many years.

If the Hon. Member is talking about the statement made by the Hon. Member for Kamloops, who talked about a propaganda program for the goods and services tax, then let me remind the Hon. Member that there is a unanimous report of the Finance and Economic Affairs Committee dated a year ago February in which there is reference to a public information program in New Zealand to publicize the goods and services tax there.

The report goes on to state that this experience underscores the need for good preparation of both the public and businesses prior to the introduction of the new sales tax.

Recommendation No. 4 states that it is important to publicize the details of the new tax, and the relevant social policy transfers.

There it is in black and white. That is exactly what we are doing in the information program for the goods and services tax. I think that Canadians want that sort of information from their Government.

Some Hon. Members: Hear, hear!

THE ECONOMY

RATE OF GROWTH

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, if the Minister of Finance was really interested in reducing the deficit why did he not propose measures to increase economic growth and promote full employment to increase his revenues rather than cut back on essential programs for the aged, the sick and the unemployed?

With over one million Canadians still unemployed and the Minister himself predicting an unemployment rate of 8.5 per cent in 1990, which the Conference Board of Canada says will make the situation worse and promote a recession, why is he going in the opposite direction? Why does he not promote growth and full employment instead?

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I must say again that this Budget is designed to avoid a recession. It is designed to put a better balance in our economic policies between interest rate policies and budgetary policies. The result is that this Budget will put in place the flexibility to allow the Bank of Canada to reduce interest rates. Surely that is something that the Hon. Member wants. Surely even he understands that low interest rates will lead to greater economic activity right across the country.

[*Translation*]

THE PROBABLE RECESSION – MINISTER'S POSITION

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, are all Canadians wrong, except the Minister? You have the Conference Board of Canada, Wood Gundy and Associates, the churches, the unions, social and community groups that have all criticized the Budget and are predicting an economic recession for 1990.

Why does the Minister insist on following this economic policy, when we will have a recession next year? Why?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would like to remind the Hon. Member that there have been predictions made by other people about

economic statements and Budgets that I have introduced but that the projections have been wrong.

The Hon. Member's Leader said of the Economic Statement of November, 1984, and the Budget of 1985, that thousands of jobs would be destroyed. I think his number was 100,000 to 150,000 jobs. His seat-mate, the Hon. Member from Winnipeg, also said 100,000 to 150,000 jobs were going to be destroyed.

What happened? We have had 1.5 million jobs created since we came into office in September of 1984.

I ask the Hon. Member about the unemployment figures of last Friday. What was the unemployment rate? It was 7.7 per cent—one of the lowest rates in about seven or eight years.

Mr. Nystrom: Mr. Speaker, you may also recall the Minister forecast interest rates of 7.8 per cent this year.

Mr. Riis: So much for projections, Mike.

* * *

[*Translation*]

RAILWAY TRANSPORT

VIA RAIL—THE CUT-BACKS—MINISTER'S POSITION

Mr. Lorne Nystrom (Yorkton—Melville): I have a question for the Minister of Transport. I think that the Minister is aware that many Canadians have arrived in Ottawa today from throughout Canada to demonstrate against the Budget which is unfair, the tax increases and the cuts in services, including VIA Rail.

Mr. Speaker, my question is: Can the Minister now confirm that his decision to cut VIA Rail was made even before the government study of VIA Rail was completed?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, obviously, the Finance Minister's Budget was presented in April and it was always agreed, as everyone has been aware, that VIA Rail would present its report in June.

This report has not been presented, but it should be in by June 30, normally. And when I have the report in hand, I will be able to make recommendations and decisions. Until then, again, I think that this whole kind of question is premature, until we have the relevant documents.

[*English*]

SUBSIDY TO VIA RAIL

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, we have a very serious decision being made before the government commission report itself is even completed.

In light of the fact that I understand that this secret VIA '89 study commissioned by the Government itself says a high-speed link in the central corridor of the country would be environmentally sound, much more economical than air travel and would likely displace around 94 trips a day from Pearson International Airport making air travel safer at the same time, and in light of the fact that I have here in front of me thousands of names on petitions signed by people who are travelling VIA Rail this week, would the Minister now come to his senses and reverse his decision and reinstate the one-half billion dollar subsidy to VIA Rail for passenger service?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, my answer will be very brief. I do not have more money today than I had last Friday.

Some Hon. Members: Hear, hear!

VIA RAIL CUT-BACKS

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I will direct my supplementary question to the Minister of Finance who is probably calling the shots on behalf of the Minister of Transport.

I am sure he is aware that Mr. Kenneth Hare, who is a world renowned climatologist, said that the Government in making these cut-backs to VIA is making a very serious environmental mistake. He predicted that the federal Government will be forced to reinstate full service to VIA Rail within 10 years because of increased pollution from automobiles and airplanes.

In light of that will the Minister now reconsider his decision and reinstate the one-half billion dollars he has cut in his Budget from VIA Rail? Will he do the intelligent thing in terms of sustainable development and reinstate passenger service?

Some Hon. Members: Hear, hear!

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, we have already said many times in the House and outside that Canadians cannot afford any more to

put that much money into a service which is used by 3 per cent of Canadians.

Once again, 97 per cent of Canadians do not use VIA Rail services. We maintain a level of subsidy which has to be viewed in the context of what Canadians can pay.

Once again, we have a transportation system to build in this country. How can we build a system on something which represents 3 per cent of the ridership? It is the kind of policy that could be set up by the NDP, not by this Government.

* * *

• (1430)

[*Translation*]

EXTERNAL AFFAIRS

THE RECALL OF THE CANADIAN AMBASSADOR IN CHINA

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, my question is directed to the Secretary of State for External Affairs and it is about the situation in China. I believe that on the weekend, the Minister met a delegation of Chinese Canadians and told them he was considering a decision to recall our ambassador for consultations and also as a sign of protest against the excessive repression exercised by the Chinese army against their own people. Has the Minister made a decision in this respect?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I had a very useful meeting with some representatives of the Chinese Canadian Community here Thursday evening. We discussed various issues. They wondered whether it would perhaps be a good thing for Canada to have its ambassador here. I said that I wanted to consider the question. It is now our intention to have Mr. Earl Drake, our ambassador in China, return to Canada for consultations. He will be here near the end of the week. He will have consultations with the Government, and I imagine that the parliamentary committee would like to take advantage of his presence here. I would like to point out that it is our intention to have Mr. Drake return to China after a period of consultations.

CRISIS IN CHINA—REQUEST TO RAISE THE QUESTION WITH THE UNITED NATIONS SECURITY COUNCIL

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, I have a supplementary. On June 5 this year, a week ago today, the Leader of the Opposition asked the Minister whether he intended to ask Mr. Fortier, our representative on the UN Security Council, to raise the matter of the situation in China in the Security Council. At the time, the Minister said that he wanted to consult with other countries and other representatives. Have these consultations been completed, and does the Minister intend to raise the matter in the UN Security Council as soon as possible?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, consultations at the UN level are continuing. As the Hon. Member is aware, I think there are various obstacles to raising the issue in the Security Council. First of all, there is China's veto, which it imposed from the outset, and second, there is also the question whether it will really have an impact on the events in China. What we are doing now, in consultation with other Member States of the United Nations, is trying to find ways, through the UN and other instruments available to us, to urge the Chinese Government to respect the democratic spirit, a spirit that was obvious in the demonstrations by the students and other Chinese citizens.

[*English*]

CHINA—SPECIAL IMMIGRATION PROGRAM

Mr. Sergio Marchi (York West): Mr. Speaker, in the absence of the Minister for Immigration, I also direct my question to the Secretary of State for External Affairs.

On June 6, in response to my question to his colleague in the House, in terms of the need for special immigration measures, the Minister said: "We will pursuing every avenue that we can in humanitarian terms together with my colleague, the Secretary of State for External Affairs."

Now that the Minister and the Government have had a chance of discussing with the Canadian Chinese community the dilemmas and circumstances and have had an opportunity to review the Government's options, is the Government willing to establish a special immigration program that would ease the family and assisted family class criteria so that Canadian Chinese families in Canada may more easily and expeditiously sponsor their

relatives from abroad so that they can be reunited quickly in this country?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as the House and the Member will understand, there are several aspects of our policy with respect to China that the Government wants to consider very carefully. Our preoccupation to date has been with trying to get Canadians who wanted to leave China out of China. To date some 550 Canadians who wanted to leave have left.

I should say in passing that I am very proud, and I think the House should be very proud, of the work that officials of the Government of Canada have done in facilitating the Canadians who wanted to leave China.

We will be looking at longer term policy changes over the next few weeks. In the meantime, announcements have already been made with respect to the visa situation of the students who are here.

Another matter that I discussed with leaders of the Chinese Canadian community on Thursday night was the financial problem that is faced by many of the students who are here. We have initiated discussions with all the provincial Governments to see if there could be some co-operation between federal and provincial authorities to meet that financial problem. I was also very pleased to note that representatives of Chinese Canadian community themselves are prepared to embark upon a fund raising campaign to help meet the needs of Chinese students who are in Canada.

Mr. Marchi: Mr. Speaker, I commend the Government's actions for those who are in this country, but as we have done in the past for man made and natural disasters, we have been very generous with various special programs, and I urge the Minister to apply this equally to the Chinese situation.

INSTRUCTIONS TO EMBASSY IN BEIJING

Mr. Sergio Marchi (York West): Mr. Speaker, I have a supplementary question. In the last few days the Chinese Government has pursued those who were involved in the peaceful demonstrations with vengeance and intimidation, thereby forcing those people underground and even in some cases those seeking refuge in the American Embassy.

Is the Minister prepared to instruct our Embassy in Beijing to consider and accept refugee claims from Chinese citizens who can clearly demonstrate that they are being persecuted by their own Chinese Government for simply participating in what were peaceful and democratic demonstrations?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, that is a question that has broad implications as the Member would know. He and the House would understand that my colleagues and I would want to consider it carefully. We will do that and we will consider it seriously.

UNITED NATIONS DEBATE ON CHINA

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, my question is also for the Secretary of State for External Affairs.

I think all of us here are conscious of the fact that the mandate of the United Nations, in particular the Security Council, is limited with respect to the internal affairs of other countries. However, the Minister himself said in the debate in the House that what goes on in China cannot for very long be considered an internal matter given the sheer magnitude of the country.

Will the Secretary of State for External Affairs consider calling for the debate at the Security Council? He has mentioned the veto power. Why not make that call, make it strongly, and if China decides to veto that particular suggestion, then let China do so? Let that be on the heads of the Chinese Government and not on the Canadian Government or other members of the Security Council.

Some Hon. Members: Hear, hear!

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, that is, of course, an option and we will consider that. I know the Hon. Member shares my view that it is important that the United Nations be effective in actions that it takes.

What we are trying to do now is examine every possible instrument available to us through the United Nations, whether it is ECOSOC, the human rights committee, or some other agency that might allow us to do more than make a statement. The statement has been made by this Parliament and by others.

The statement made by this Parliament has indeed, as the Member knows, been conveyed by the Prime Minister to the Secretary General of the United Nations. I would welcome suggestions as to practical ways in which we can make the United Nations effective in influencing the attitudes of the Chinese Government from this point

forward. I give the Member my undertaking that we will consider seriously all suggestions of that kind.

GOVERNMENT POSITION

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I think it is important for the Minister to say more about what he envisions these other agencies of the UN doing. Obviously there is a large degree of concern among Canadians in general but particularly within the Chinese Canadian community.

If there will not be a call for a debate at the Security Council regardless of whether or not that call would be vetoed, just what does the Government have in mind? I think the Minister owes us a brief elaboration of what he sees these other agencies, that the consultations are going on about, doing with respect to China.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, obviously part of what we hope to do through the United Nations is create some standards of performance which will have some influence upon the activities of the Government of China. We have to work with the United Nations institution as it is, and we have to take a look at other instruments that might be available to us.

One of the reasons I am calling our ambassador home for consultations is that I think it would be very important for him, for Members of this House, and for other Canadians who are interested in and knowledgeable about China to turn our minds to actions that we can take now, either as Canada or as a member of the United Nations, in trying to effect the course of events from this point forward in China.

• (1440)

I think it will be valuable to have that kind of discussion with the standing committee. I would not intend to limit it there. I am examining the idea of trying to bring together a group of people who have reason to be called experts on China to consider, during the time that the ambassador is home, actions that Canada might take that would have effect.

[*Translation*]

REGIONAL INDUSTRIAL EXPANSION

THE STATUS OF CANADA–QUEBEC AGREEMENT

Mr. André Plourde (Kamouraska—Rivière-du-Loup): Mr. Speaker, my question is for the Minister of Regional Industrial Expansion and Minister of State for Science and Technology. The Regional Development Agreement between Canada and Québec was signed a year ago. Despite great speeches by the Québec Minister responsible for regional economic development and his PR operation at socio-economic conferences, where he has thrown money at regional projects under this agreement, could the Minister tell us what the present status of this Canada–Québec agreement is?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, the $820-million agreement for regional economic development in Québec is now more than a year old. Unlike previous subagreements signed with Québec, the federal Government has the ability to deliver programs alone. There are also Québec programs and joint programs. I wish to state, Mr. Speaker, that all federal programs are operational or in the process of becoming so. Unfortunately, the Québec and joint programs are still not in effect. After a year of waiting, we hope that Québec will set up its programs as soon as possible so that they too can concretely support Québec's regional development.

* * *

[*English*]

AIR CANADA

OWNERSHIP OF SHARES

Hon. Roger E. Simmons (Burin—St. George's): Mr. Speaker, my question was for the Minister of State for Privatization. In his absence, perhaps I could direct it to the Acting Prime Minister or to my bosom pal, the Minister for International Trade.

The chairman of Air Canada has said that 25 per cent of Air Canada's shares will be set aside specifically for foreign investors. I believe the Minister will agree that

this represents a major departure from the original sale agreement which precluded foreign buying until Canadian demand for the shares had been exhausted.

Why did the Government ratify or agree to this change? Does this mean that Canadians will be prevented from buying more than 75 per cent of the shares of Air Canada?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the National Transportation Act provides that no more than 25 per cent of the shares of any transportation company, including Air Canada, can be owned by non-residents. The company has in place a system to control that.

During the course of time since the original offering of Air Canada shares, there has been some acquisition by non-residents of shares of Air Canada. In this particular transaction, the sale of shares that is coming up shortly, we felt it was appropriate to continue to offer shares of Air Canada, always subject to the over-all provision of the 25 per cent limitation.

Mr. Simmons: I thank the Minister for his answer.

MONITORING OF FOREIGN OWNERSHIP

Hon. Roger E. Simmons (Burin—St. George's): Mr. Speaker, the Minister will be aware that the 25 per cent limit on foreign ownership of Air Canada shares is fast approaching. I would like the Minister to indicate how the Government foresees that Air Canada will monitor the foreign ownership of shares, keeping in mind that shares being traded over the counter can be broken down into smaller batches to avoid detection and thereby slip past the 25 per cent statutory limit. Or, was the Government's real agenda from the outset, to sneak it past the Canadian public while loudly protesting to the contrary like the Minister did in his original answer?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the law is the law, and 25 per cent is the maximum of any transportation company that can be owned by non-residents. That law will be administered by Air Canada in the control of any share transfers that take place in the share register. Air Canada advises us that it has the systems in place to do so, and it will abide by that law.

FISHERIES

WEST COAST REGULATIONS

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I pose a question to the Minister for International Trade. By way of compliment, I would say that I noticed his signing of the communiqué with other OECD members in Paris, condemning the use of bilateral trade agreements as a threat to the international trade system. I compliment him on his conversion on the way to Paris last week.

In the same constructive vein, I wish to raise a question about the west coast fishery. My colleagues and I met this morning with representatives of the 5,000 workers in the fish processing industry. They made very clear that the landing regulations introduced by the Minister and his colleague last April would do nothing to protect against the export of raw fish to the United States and the export of Canadian jobs thereby.

Notwithstanding the position taken by the United States, will the Minister undertake to introduce tougher, stronger, more effective regulations to protect the jobs of processed fish workers on the West Coast and to protect that very valuable industry for Canada?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I am glad to be back to answer the questions of the Hon. Member from Winnipeg Soft Centre.

Some Hon. Members: Oh, oh!

Mr. Crosbie: He surely must realize that regulations that were in place up to last April were found by a GATT panel to be inconsistent with the GATT and inconsistent with world trading rules to which Canada has now subscribed since the GATT was originally initiated, with the full support of the hon. gentleman's Party and with the full support of the New Democratic Party.

The plain facts are that we cannot have regulations that simply prohibit the export of raw fish for the purpose of protecting jobs because that is contrary to the world trading system. However, we can have regulations

and have enacted regulations that will give us proper management control over the British Columbia salmon fishery and will enable the Government to administer and manage the B.C. salmon fishery properly through these new conservation and management controls. They are in place, and we think they will do the job and are consistent with the GATT.

PROTECTION OF JOBS AND ENVIRONMENT

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, the Minister knows full well that the people in the industry, the companies and the workers, say very clearly that the regulations will not do the job, that we will lose employment, and furthermore that we will substantially lose our ability to provide for conservation and management of the valuable fish resource on the West Coast. Surely in light of the serious problems we face on the East Coast, we should do something to keep the same thing from occurring on the West Coast.

The Minister has the responsibility to provide for protection for those workers in that industry. Will the Minister bring in effective, meaningful regulations to protect jobs and to protect the environment of the west coast fishery?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, Canada is a member of the GATT. We are not proposing to leave the GATT. We propose to observe the fair trading rules that the international organization known as the GATT binds all its members to. We are now engaged in an intricate trading negotiation known as the Uruguay Round with the full support of Parties opposite, and so we must comply with the GATT.

We think the regulations we now have in place are consistent with the GATT and will enable the B.C. salmon fishery to be properly managed and controlled. That, as it is, has been challenged by the United States. We are now going before a panel under the U.S.–Canada Free Trade Agreement which will look at these regulations to see whether or not the panel finds them consistent with the GATT. We think they are, and we hope we will have the support of all Members of the House in our arguments before that panel.

Oral Questions

THE ENVIRONMENT

UNITED STATES CLEAN AIR LEGISLATION

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, in the absence of the Minister of the Environment, I direct my question to the Secretary of State for External Affairs.

Today the President of the United States introduced so-called clean air legislation which will cut acid rain emissions by less than 50 per cent by the year 2000. This U.S. legislation ensures that our forests, our lakes, and our rivers will continue to die over the next ten years.

Does the Secretary of State for External Affairs accept this half-hearted attempt at acid rain reduction?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, my only conclusion is that the Hon. Member cannot take yes for an answer. We have been working for years to get progress from the United States on the acid rain question. We in Canada have taken active leadership to clean our own hands so that we could go with authority to the United States. That has been done by the Prime Minister, by Ministers of the Environment, and by others.

• (1450)

We have had today an announcement by the President of the United States that gives an historic step forward for Canada and an historic protection for our air, lakes, and citizens.

We in the Government are very pleased at this proof that hard work over time by the Government of Canada can pay off to preserve the environment of Canada.

IMPACT ON QUEBEC AND ONTARIO SITES—GOVERNMENT POSITION

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, some sensitive sites in Quebec and Ontario are presently receiving 40 kilograms per hectare of acid pollutants, while they are only capable of handling 12 kilograms per hectare of acid pollutants. This legislation will dump 20 kilograms per hectare, and is this the Government's response. What is the Government going to do about those sites?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the situation is that before today there was no agreed stated policy by the Government of

the United States to deal with the acid rain that it produces.

Today, as a result of active leadership by the Prime Minister of Canada and several representations by this Government over a number of years, the United States has changed its policy to meet Canadian goals. That should be celebrated in this country by people who are serious about the environment.

* * *

HEALTH CARE

TRANSFER PAYMENTS TO PROVINCES

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, given that Canada is facing an ever-increasing ageing population; given that a well educated workforce is essential for competitiveness in the industrial world; and given that transfer payments to the provinces is a social contract and essential for health care delivery, post-secondary education, and research, how can the Government reconcile its commitments to care for the health and social well-being of all Canadians, including seniors, and to develop a strong, well educated workforce in Canada, with its decision to cut the transfer payments to the provinces?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member has it wrong. We are not cutting. We are increasing substantially our payments to the provinces for post-secondary education and health care.

The Leader of the Liberal Party in Manitoba, Sharon Carstairs, has stated that the reason the Manitoba Government is in a strong financial position today, is because of the size of those transfer payments to the provinces.

Over the next five years we will be transferring to the provinces, in aggregate, some $25 billion more than was transferred over the course of the last five years.

That is a clear demonstration of our commitment to support post-secondary education and health care, but to do it within the over-all constraints of getting our deficit down and dealing with the national debt, which I remind the Hon. Member is a strong concern of his Leader who keeps talking about the size of the government debt. Surely he should support his Leader and our efforts to get the deficit under control.

GOVERNMENT POSITION

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, the Government admits that it has reduced the rate of growth of transfer payments to the provinces. By 1994-95 it will amount to an approximate $23 billionm revenue shortfall. This is still a decrease to the provinces.

Is the Government prepared to continue its pachydermous insensitivity to the health care, educational, and social needs of Canadians from all regions of the country?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member now agrees that we are not cutting and in fact we are increasing our transfer payments to the provinces.

We have committed to transfer at a growth rate that is no less than the rate of inflation. The areas of health care and post-secondary education are clearly priority areas for the Government of Canada. That is why the growth rate in those areas of spending by the Government will be one of the highest of any area of government.

* * *

VIA RAIL

SYDNEY TO HALIFAX LINE

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is directed to the Minister of Transport. On December 5, 1986, the Prime Minister stood in his place and stated that as long as his Government was in office there would be no second-class citizens in Canada.

Something has changed. This Government, through its manipulation, is now arranging the shutdown of VIA Rail operations in large sections of the country.

Will the Minister of Transport now pledge that the run from Sydney to Halifax will not be cancelled, thereby assuring that the people of eastern Nova Scotia will not become second-class citizens?

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, it is quite obvious that I made no commitment last week—and I certainly will not do so this week! Especially since the lines—my colleague knows very well that VIA Rail decides which rail lines. The recommendations to be made to the Minister of Transport concerning the future of each rail line—whether to keep it or

not—will depend on the corporation and will be made to us by VIA Rail.

So, once again, it is quite obvious that this has nothing to do with first- or second-class citizens, but, Mr. Speaker, with VIA Rail's abilities to manage the routes it will keep.

[*English*]

GOVERNMENT POSITION

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, VIA Rail will make the decision this Government wants it to make, because it is holding the financial gun to the head of VIA Rail by reducing its budget in the amount of $400 million.

Concerning VIA Rail, the Deputy Prime Minister stated: "Use it or lose it". The ridership on the run from Sydney to Halifax has increased by 20 per cent in the last year.

Will the Government honour the pledge of the Deputy Prime Minister and the Prime Minister and say now that that run from Sydney to Halifax will be continued?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, what I will pledge here today is that I will face, together with my colleagues on this side of the House, the reality of the financial situation of this country. That is the reason that the Minister of Finance, whom I fully support, has decided to cut $500 million from this corporation.

I repeat what I stated previously that this corporation is not used by more than 3 per cent of the population, even in Atlantic Canada. We face a problem of ridership. The Opposition is talking about a 30 per cent increase. For $26 million more revenue, there were $94 million more in expenditures. We cannot manage a corporation in this manner.

* * *

YOUNG OFFENDERS ACT

TIMING OF PROPOSED AMENDMENTS

Mr. Bill Attewell (Markham): Mr. Speaker, my question is directed to the Minister of Justice, and it concerns the Young Offenders Act.

Last Friday, the Minister met with his counterparts in Prince Edward Island. I understand the Young Offenders Act was on the agenda. He will know that I conducted a survey in my riding and 6,000 people replied. Some 99 per cent want changes to the Act.

I would like to ask the Minister what was discussed. What are the proposed changes? More important, what changes does the Minister think he will make and when will he make them?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, federal and provincial officials have been working on amendments to the Young Offenders Act since February.

The Ministers of Justice reached unanimous agreement on certain amendments on Thursday last week. Those amendments relate to transfers from youth court to adult court and specifically to the appropriate sentence for murder.

We are going to begin consultations with the Bar, with provincial Ministers responsible for youth, and with other interested parties.

We think that we should be able to complete those consultations by early fall and have the legislation before the House next fall.

* * *

• (1500)

FINANCE

PRIVATIZATION OF PETRO-CANADA

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I would like to ask the Minister if he would confirm, as reported last month, that a meeting took place in March this year between officials of this Government and Rothchild's investment dealers to discuss the privatization of Petro-Canada?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I cannot say one way or the other. I am not aware of the meeting. If the Hon. Member had given me the opportunity to check before Question Period, I would have been able to give him an answer.

COMMITMENT SOUGHT FROM MINISTER

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, this report was precisely set out. It was a report which was carried across the country. I have to ask the Government, since we have already lost tremendous control of our energy policy through the Free Trade Agreement and since we see the chance of further loss of energy policy control through this sale of Petro-Canada, can we get from the Government a clear commit-

ment that there will not be privatization in any part of Petro-Canada which belongs to the people of this country?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, we have not lost control of our energy. In fact, the Hon. Member should have his attention drawn to the recent decision made by the National Energy Board that did not give the full licensing for export which was requested. It was done on the basis of the National Energy Board's examination of natural gas reserves. So the dire predictions he has made, when the Government moved to a market oriented energy approach, simply is not being borne out. The regulatory agency is there and everyone abides by that, including the companies, and that is the manner in which it should go.

If the Hon. Member feels that energy should not be used as an economic generator for exports to other countries, primarily the United States, for natural gas, oil, uranium or coal, then of course the Hon. Member does not understand a lot about economics and especially does not understand the need to raise money in order that the social programs, at least that this side wants to expand, can be met. That is the undergirding of the national program we have for energy and not the interventionist program which did not work and which the Hon. Member has always advocated.

* * *

NATIONAL REVENUE

REQUEST FOR EQUITABLE TREATMENT IN TAX SYSTEM

Mr. David Berger (Saint-Henri—Westmount): Mr. Speaker, I have a question for the Minister of National Revenue. In his absence, I will put it to the Minister of Finance. It is about tax deductions for expenses associated with the free trade debate.

The Minister knows that fears have been expressed that the tax system is being used to punish the opponents of free trade and to reward its supporters. The Minister of National Revenue has said nothing to allay these fears. I would invite the Minister of Finance to satisfy Canadians that both opponents and supporters of free trade are being treated equally.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, to make the suggestion that we are punishing someone or other through the Income Tax Act is absolute nonsense. The Minister of National Revenue made that very clear the other day. He said there are provisions in the Act which provide for the treatment of expenditures and whether someone is for or against free trade has nothing to do with how the application of that particular section of the Act is applied. That will continue. The suggestion that the Hon. Member has made is just ludicrous.

* * *

WAYS AND MEANS

TABLING OF NOTICE OF MOTION

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, pursuant to the provisions of Standing Order 83(1) I wish to table copies of a notice of a Ways and Means motion to amend the Income Tax Act and several related Acts, and I ask that pursuant to the provisions of Standing Order 83(2) that an Order of the Day be designated for the consideration of the said Ways and Means motion.

BUSINESS OF THE HOUSE

Mr. Lewis: Mr. Speaker, I wish to formally designate tomorrow as an allotted day for the consideration of an opposition motion.

GOVERNMENT ORDERS

[*English*]

CANADIAN TRANSPORTATION ACCIDENT INVESTIGATION AND SAFETY BOARD ACT

MEASURE TO ENACT

The House proceeded to consideration of Bill C-2, an Act to establish the Canadian Transportation Accident Investigation and Safety Board and to amend certain Acts in consequence thereof, as reported (with amendments) from the Standing Committee on Transport.

Mr. Speaker: Before giving the ruling on Bill C-2, I want Hon. Members to know I have received a request from an experienced Hon. Member in this House to argue some aspect of this procedural ruling. I want to say to the Hon. Member that under the circumstances I do not think it is appropriate, at least at this time. The Hon. Member will know that some of the amendments proposed have been accepted on his behalf. The others that were not had been rejected at committee. I do want to try to stay with the practice which Hon. Members have supported, which is to work these things out in advance

and not necessitate procedural arguments on these matters. I hope the Hon. Member will co-operate.

The ruling is on Bill C-2.

Mr. Benjamin: Mr. Speaker, I always thought that under the rules and in accordance with the indulgence of the Chair that before the Chair makes a ruling, Hon. Members are entitled to comment about the procedural admissibility or non-admissibility of any given Bill or amendment before the Chair rules. That is all I was asking for, Sir.

Mr. Speaker: The Hon. Member is, of course, strictly correct. We have been moving toward the adoption of that approach in the interest of proceeding with business more expeditiously. However, I will hear the Hon. Member.

Mr. Benjamin: I will be brief but I want to submit, Sir, that I would fully accept the procedure you initially outlined if there were some consultation between the clerks at the table and law officers of the House and Your Honour with Members involved from all Parties. That would then maybe suffice, rather than doing anything from the floor of the chamber.

I want to suggest, Mr. Speaker, that I am aware of how you plan to rule on Motion No. 1 and I would draw something to the attention of the Chair in the hope of persuading the Chair to reconsider. I ask the Chair to examine the title of the Bill, an Act to establish the Canadian Transportation Accident Investigation and Safety Board.

My motion No. 1 deals with extra-provincial bus undertakings and extra-provincial truck transport. That means interprovincial and international bus and trucking endeavours. Mr. Speaker, if those endeavours are not part of Canadian transportation, I am a monkey's uncle. It fits within what the title of the Bill says the Bill is all about, namely, Canadian Transportation Accident Investigation and Safety. Further, Mr. Speaker, constitutionally interprovincial and international trucking and bus undertakings come under federal jurisdiction. The only thing that has gone on since 1867 is that the federal Government has allowed the provinces to administer the federal jurisdiction over interprovincial and international trucking. Because it is Canadian transportation, interprovincial and international, it therefore is not irrelevant to the Bill and does not go beyond the legislation.

Similarly, Sir, with Motion No. 2. A highway occurrence. For example, we were informed in the committee that if a semi-trailer transport loaded with dangerous goods collides with a trans-continental freight train, there was indecision and uncertainty as to who was going to investigate. Would it be one or two provinces, the federal authority, or all of them? This simply means that a highway occurrence in a federal jurisdiction, whether it is interprovincial, international, within a national park, along the St. Lawrence Seaway or on a federal airport, will be investigated by the Federal Transportation Accident Investigation and Safety Board.

• (1510)

I have made these points many times before with various Speakers. A precedent does not become one of the ten commandments, because sooner or later precedents are broken. It seems to me that within the jurisdiction of the Parliament of Canada and the Government of Canada, amendments such as this to any piece of legislation dealing with matters that are constitutionally and properly within the jurisdiction of the federal authority must be at least permitted to be decided upon by a decision of the House of Commons. I respectfully request that there must be some room for the Chair to reconsider. I am asking for that as sincerely as I possibly can.

Mr. Speaker: First, as I mentioned earlier, the Hon. Member for Regina—Lumsden (Mr. Benjamin) is a very experienced Member of the House and on this subject is clearly an expert among us. I have heard him, as is his right to be heard, but I had given this matter very careful consideration. The Hon. Member will know that three of his motions have been allowed but Motions Nos. 1, 2 and 4 are, at least in the opinion of the Chair, not in order. I do not think I have the discretion to go beyond that.

In any event I have heard the Hon. Member. No doubt he will be able to work some of his views into argument on the three motions that have been allowed in his name, and perhaps in others.

I want to render the ruling on Bill C-2, and I remind Hon. Members that there are 11 motions on the *Order Paper and Notice Paper* offered in amendment to Bill C-2, an Act to establish the Canadian Transportation Accident Investigation and Safety Board and to amend certain Acts in consequence thereof. I am referring to the Bill by its new title.

Motion No. 1 standing in the name of the Hon. Member for Regina—Lumsden causes the Chair misgivings because the amendment is attempting to add definitions of "extra-provincial bus transport", "extra-provincial undertaking", "extra-provincial truck transport" and "extra-provincial truck undertaking ", thus trying to bring into the Bill new concepts.

[*Translation*]

These are concepts that were not envisaged in the Bill when it received second reading. It is my view that the amendment goes beyond the scope of the Bill as read a second time by the House. Paragraph (1) of Citation 773 of Beauchesne's Fifth Edition stipulates:

> (1) An amendment is out of order if it is irrevelant to the bill, beyond its scope or governed by or dependent upon amendments already negatived.

[*English*]

Thus, I have come to the conclusion that the amendment goes beyond the scope of the Bill as read a second time by the House. Further, the amendment is a substantive amendment to the interpretation clause of the Bill. I would refer the Hon. Member to paragraph 10 of Citation 773 of Beauchesne's Fifth Edition, page 233:

> A substantive amendment may not be introduced by way of a modification to the interpretation clause of a Bill.

In addition, this motion was moved in the Standing Committee and ruled out of order there.

[*Translation*]

Consequently, the motion is out of order and will not be selected.

[*English*]

Motion No. 2, also standing in the name of the Hon. Member for Regina—Lumsden also causes concern to the Chair for much the same reasons as mentioned in relation to Motion No. 1. The amendment seeks to bring into the Bill the concept of "highway occurrence" and this is clearly beyond the scope of the Bill. This motion was also moved in the Standing Committee and was also ruled out of order there.

[*Translation*]

It is with regret, therefore, that I must inform the Hon. Member that I must rule the motion numbered 2 out of order.

[*English*]

Motions Nos. 3 and 4, standing respectively in the name of the Hon. Member for Thunder Bay—Nipigon (Mr. Comuzzi) and the Hon. Member for Regina—Lumsden seek to increase the number of board members and this clearly infringes the Royal recommendation. The chairman of the Standing Committee on Transport ruled both these amendments out of order for that reason when they were moved in the committee and I must tell Hon. Members that the Chair is of the same opinion. Therefore, I must rule Motions Nos. 3 and 4 out of order.

[*Translation*]

Motion numbered 5 standing in the name of the Hon. Member for Regina—Lumsden (Mr. Benjamin) is similar to a motion that was debated in Committee. However, the Chair is of the opinion that this motion is sufficiently different that I will allow it to be put to the House.

Motion numbered 5 will therefore be debated and voted on separately.

[*English*]

Motions Nos. 6 and 7, standing respectively in the names of the Hon. Member for Regina—Lumsden and the Hon. Member for Thunder Bay—Nipigon will be grouped for debate but voted on as follows: a, an affirmative vote on Motion No. 6 obviates the question being put on Motion No. 7; b, a negative vote on Motion No. 6 necessitates the question being put on Motion No. 7.

[*Translation*]

Motion numbered 8 in the name of the Hon. Member for Humber—St. Barbe—Baie Verte (Mr. Tobin) caused the Chair to reflect since a similar motion was moved and negatived in the Standing Committee. However, the Chair is of the opinion that this motion is different enough to allow it to be put to the House.

[*English*]

Motion No. 8 will therefore be debated and voted on separately.

Motions Nos. 9 and 11 in the name of the Hon. Member for Humber—St. Barbe—Baie Verte (Mr. Tobin) and Motion No. 10 in the name of the Hon. Member for Regina—Lumsden are in order and will be debated and voted on separately.

To recap, Motion Nos. 1, 2, 3 and 4 are out of order and will not be selected for debate.

[*Translation*]

Motions numbered 6 and 7 will be debated together but voted on as I outlined earlier.

[*English*]

Motions Nos. 5, 8, 9, 10 and 11 will be debated and voted on separately.

The House will now deal with Motion No. 5.

Mr. Les Benjamin (Regina—Lumsden) moved:

Motion No. 5

That Bill C-2 be amended in Clause 4 by striking out lines 10 to 13 at page 6 and substituting the following therefor:

"as full-time members persons who, in the opinion of the Governor in Council, after consultation with members of the transportation industry, are knowledgeable about one or more of the following modes of transport

(a) air transportation

(b) marine transportation

(c) rail and commodity pipeline transportation."

He said: Madam Speaker, my experience in transportation both before and after becoming a Member of this House has caused me, along with others, to raise a lot of concern about the ability of members of various boards and commissions to take on that responsibility. We believe there should be at least some provision to ensure that there are board members who have at least some if not complete expertise in each field of transportation accident investigation and safety covered by this legislation.

• (1520)

This will ensure that when a director of investigation makes his or her report to the board there will be at least one person there who is knowledgeable in that field. I am not submitting that we could not get individuals from other sectors of our community, such as the business community, the trade union movement, universities or even from consumers' associations or some individual citizen who has taken many years of interest in transportation matters. Of course we can get someone like that. But this amendment tries to ensure that at least some of them will have some expertise.

We also want the appointment of the Governor in Council to be made after consultation with various organizations, transportation companies and transportation unions. I think of the Centre for Guided Ground Transportation at Queen's University, Transport 2000 and of the Canadian Association of Consumers. After consulting with that wide range I would hope that they would appoint members—and I am not submitting that it should be all of them, but at least some members who come out in one form or another from the transportation industry—who are knowledgeable, not even experts but knowledgeable about one or more of modes of transportation, air transportation, marine, rail and pipeline.

I have seen too many times—in fact we just had one recently when we got the Budget and the cuts to VIA Rail. Was it the Department of Transport and transportation experts who made the submissions on what should be in the Budget about VIA Rail? No, Madam Speaker. It was the gnomes in the nether regions of the Department of Finance, who would not know one end of a locomotive from the other.

There was no knowledgeability or expertise on transportation, and particularly on rail passenger transportation, that went into the decision-making about what would be in the Budget on VIA Rail. Even more ridiculous, as I remember a famous appointment of a person to the board of directors of Air Canada, an alderperson in a city in Canada. When asked what expertise, knowledgeability the person could bring to the board of directors of Air Canada, the person said: "Well, I have flown several times." That ain't good enough. That is just not good enough. If the person had been knowledgeable about air transportation and the operation of airlines from the perspective of The Consumers Association of Canada, fine. But to pick out a citizen for other reasons than knowledgeability of Air Canada's operations, mostly political reasons if not entirely, is surely no way to subject a board or a commission with that kind of personnel on its board.

We have had the same thing happen with Canadian National. That has been one of the problems, particularly with rail transportation in Canada, CN, CP and VIA. The decision-making has been done mainly by corporation lawyers and chartered accountants and very few practising, practical railroaders, whether it was on a

board of directors, whether it was in the Department of Transport, Department of Finance or anywhere else.

That is what this amendment seeks to do. It could be an appointment of a good Conservative, a good Liberal or a good NDPer, but provided he had some knowledge and at least a minimal amount of expertise in one or more of these modes of transportation.

I have had some bitter experiences in hearings before the CTC with commissioners questioning us or trying to cross-examine us who knew absolutely nothing about what we were talking about. They were relying on their own legal and accounting staff. That is most frustrating. They did not really know. They had never been there on the ground themselves. In fact, as the farmer said: "They never had any manure on their boots." They had never been there.

When you go in front of a board or a commission with the knowledge that those are the kind of people who are going to hear you out, and know not what you are talking about, it is pretty frustrating. I submit it is very unfair, both to the board as a whole and certainly to the people of Canada. We dealt with this at some length and heard from numerous witnesses in the Transport Committee when we held hearings and when we dealt with the Bill clause by clause. Many witnesses wanted this to be the case. Some did not. Some did not think it was necessary.

I recall most of the witnesses who appeared from all sectors in transportation thought that that should be in the criteria for the appointing of members to the board. I hope that my colleagues will agree. My amendment does not go to the length where it has to be someone who is a real expert with credentials as long as your arm. When we say knowledgeable, that is a word used by the Government in an earlier section of the Bill. It is somebody who has some reasonable, however modest, knowledge about one or more of the modes of transportation that this board will deal with. Surely that is not unreasonable. I do not want to see a board with four out of five, as they say in the railroad, who could not find their backsides in the dark if they used both hands, when it comes to transportation.

I am trying to safeguard that because of the previous experiences I have had, as have many others who have complained to me and to the Government. Certainly the media has, when they looked at the qualifications of appointments made by the government of the day. This is a small and modest attempt to correct previous practice.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Madam Speaker, I rise to support the amendment proposed by my colleague, the Member for Regina—Lumsden (Mr. Benjamin). There is no question that the amendment put forward by my colleague is an important amendment. In fact, I would submit it is fundamental to the Bill. Members of the House should be aware that what this accident investigation and safety board will do is replace all other accident investigation boards currently at work for the Government of Canada and on behalf of the people of Canada.

For the moment, we have accident investigators operating independently in the air mode, in the marine mode and in the railroad. Of course, the pipeline mode is handled by the National Energy Board. What we are proposing is to consolidate all of those accident investigators in one body and one authority. Whereas for the moment we have perhaps two or three dozen boards made up of two or three dozen board members, what this new Bill will do is just give us five board members for all modes. Hence, the title multi-modal agency. In that instance it becomes not only important but critical that the board members who are appointed not only enjoy the confidence of the Government in the normal way but also have a level of expertise in at least one of the modes covered by a multimodal agency.

• (1530)

We will be proposing a little later this afternoon an amendment to Clause 12. In that amendment dealing with quorums we are asking that a quorum shall be not only three to five members but that at least one of the three must have some expertise in the area of transportation occurrence that is being discussed. It goes without saying that unless there is a guarantee of expertise to begin with—hence the motion of the Hon. Member for Regina—Lumsden (Mr. Benjamin)—it is pretty difficult for the latter amendment that we have put to have any meaning.

On this side of the House we certainly embrace the notion that the Government, that is, the Cabinet, ought to be directed in this legislation to ensure by legislative requirement that the people who are given these jobs for a period of seven years be not just people who enjoy the confidence of Cabinet but who, after consultation with the transportation industry, are appointed on the basis of recognized and demonstrated expertise. The period of seven years came about as a result of an amendment made in committee.

One would hope—in fact, one would expect—that whether or not this amendment is in the Bill, this Government or any other Government would make appointments of individuals who have that kind of expertise. However, if it is the expectation of all Members that board members will have expertise and will not merely be friends of the Government of the day of whatever stripe, then let us put it in the Bill. Let us ensure that the people who answer ultimately to Parliament and on behalf of all Canadians for the operation of the multimodal accident investigation board are people who are there as a consequence of their expertise and for no other reason.

I submit that given the history of the Canadian Aviation Safety Board, given the general level of lack of confidence by the public in that board because of the controversy and split in the board over Gander, it is more important now than ever before that we not only assure Canadians of a qualified board but that we demonstrate it by insisting upon those qualifications in the Bill.

For that reason I support the amendment which stands in the name of the Hon. Member for Regina—Lumsden.

Mr. John R. Rodriguez (Nickel Belt): Madam Speaker, I want to stand in support of the proposal of my colleague who proposes that board members shall be collectively knowledgeable in the modes of transport covered by this Bill.

I wonder why the Government would not have accepted what is obviously a very reasonable amendment. Why would the Government not accept an amendment that seems so obviously reasonable? That is to say five people to investigate accidents, be they marine, air, rail or pipeline. One would think that it is only logical that the five people appointed by the Government ought to be expert in their field.

That leads one to think what is at the back of the mind of the Government. History will bear me out on this. It wants the ability to appoint a bunch of hacks and flacks to these commissions.

Mr. Blaikie: Like the Liberals did for years.

Mr. Rodriguez: We will get to what the Liberals did in a minute.

I want to say that we were impressed by the appointment to the Air Canada Board of Directors of a person who said her only qualification was that she had a driver's licence. We were all shocked by that. We saw how the Government rewarded all the Tories who did not run in previous elections, or all those who were defeated, finding them little niches on the Parole Board, or on some board or commission paid for by the taxpayers.

We remember Erik Nielsen getting his nice cushy appointment after taking flack in this House over the Sinclair Stevens fiasco.

The Government wants to continue the pork-barrelling politics which it learned from its predecessors in the Liberal Party who were in the Government before.

Mr. Andre: Are you talking about Ian Deans?

Mr. Rodriguez: The Hon. Member mentions one person.

Mr. Andre: How about Stephen Lewis?

Mr. Rodriguez: Does one appointment allow you then to make 5,000 appointments of Tory hacks and flacks?

This is clearly a reasonable amendment. Canadians would wonder why the Government would not accept an amendment like this which comes from someone so well versed in transport matters. God knows that we cannot depend on the Minister of Transport (Mr. Bouchard) to give us guidance in this whole question of matters pertaining to transportation. Thus I urge all Members in the House to support this motion because it is eminently wise and well thought out.

Mr. Bill Blaikie (Winnipeg Transcona): Madam Speaker, I too would like to rise in support of the amendment and say how shocking it is that the Government is unwilling to accept an amendment which should be so obvious. It would be unnecessary to move such an amendment if it were not for the fact that the Government has a record of appointing people who do not know anything about anything to preside over something that one ought to have a great deal of knowledge about

before one is appointed. This is the *raison d'être* for the amendment. It is also because the new board arose out of a board that was concerned primarily with aviation accidents. We should make special provision in the legislation that people knowledgeable about rail, for instance, be on this board so that we do not have a bunch of people whose expertise is looking at airplane crashes trying to figure out derailments. I know enough about railroading to know that there are things that only people who work on the railways know about.

What the Hon. Member for Regina—Lumsden (Mr. Benjamin) is about in moving this amendment is ensuring that there are people who know one end of a boxcar from another, and who know the difference between a knuckle and a draft gear, and about what is a hand brake and all the other things that need to be considered when one is trying to figure out what may have happened in an accident on the railway.

Finally, the fact of the matter is that this Government has a record not only in its appointments but in itself of having people who do not know the first damn thing about railways or passenger rail making decisions about the future of this industry. The current Transport Minister is the best example I can think of.

He got up today and talked about people not using the trains. If this guy knew anything about trains, he would know that if he wanted to use a VIA train tomorrow, or if he wanted to use the Supercontinental at any time this summer he would have a very difficult time just booking a coach seat, never mind a sleeper. The trains are packed to the gills with people.

For him to stand up in the House to say that there is only a 3 per cent ridership and that people are not using the trains is a travesty of the truth. It is all the more reason why we should have absolutely no confidence in anything that the Government does with respect to transportation.

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Question.

• (1540)

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the nays have it.

And more than five Members having risen:

[*Translation*]

The Acting Speaker (Mrs. Champagne): Pursuant to Standing Order 76(8), the recorded division on the motion is deferred.

[*English*]

We now go to motions 6 and 7.

Mr. Les Benjamin (Regina—Lumsden) moved:

Motion No. 6.

That Bill C-2 be amended in Clause 5 by striking out lines 38 to 43 at page 6 and lines 1 to 11 on page 7 and substituting the following therefor:

"5.(1) The Governor-in-Council shall appoint one chairperson who shall have demonstrated an understanding of the role of an investigatory body, have knowledge of law and due process and not be an expert in any individual mode covered by this Act.

(2) The Governor-in-Council shall, in consultation with the Board, designate one member to be the Vice-Chairperson of the Board.

(3) The Chairperson is the chief executive officer of the Board and subject to paragraph (a) hereof, shall have the responsibility for the administration of the Board and such powers and duties as are delegated to him by the Board:

(a) In exercising the powers conferred on him by subsection 5(1), by the Public Service Employment Administration Act, the Chairperson is subject to and shall act in accordance with the general policies, resolutions, rules and regulations of the Board.

(b) In the event of the absence or incapacity of the Chairperson, the Vice-Chairperson has and may exercise and perform all the powers of the Chairperson."

Mr. Joe Comuzzi (Thunder Bay—Nipigon) moved:

Motion No. 7.

That Bill C-2 be amended in Clause 5

(a) by striking out line 43 at page 6 and lines 1 to 3 at page 7 and substituting the following therefor:

"sponsibility for"

(b) by striking out lines 6 and 7 at page 7.

Mr. Tobin: Madam Speaker, I rise on a point of order. I seek your guidance and direction. I note the ruling of the Speaker that both of these motions shall be debated together but voted on separately. Of course both are a variation of the same theme but, nevertheless, two separate and important amendments. I just seek the guidance of the Chair as to whether or not Members are restricted to a total of 10 minutes on both motions or 10 minutes per motion however debated together. Would The Chair please so advise?

The Acting Speaker (Mrs. Champagne): No. There is a 10 minute total period allowed to each Member. As has been said before, an affirmative vote on motion No. 6 obviates the question being put on motion No. 7.

The Hon. Member for Regina—Lumsden.

Mr. Les Benjamin (Regina—Lumsden): Madam Speaker, I thought my hon. friend from Humber—St. Barbe—Baie Verte (Mr. Tobin) made an excellent point. They are two separate motions being debated together and I was hoping that 10 minutes would be proper on each one. However I respect your decision.

May I say this about Motion No. 6. The main thing this motion is trying to secure is that the chairman of the Canadian Transportation Accident Investigation and Safety Board will not have powers delegated to him by the Governor in Council and the Minister of Transport which make that chairperson of the Board a czar, one who can do almost anything he or she wants to do in exercising that supreme authority bestowedby the Governor in Council and the Minister of Transport by regulation.

Surely the fundamental principle of a board is its collectivity, that a decision is by the board and not by somebody outside the board. It is sufficient that the Minister has the prerogative to choose and appoint a chairman. Except for what is in this Bill, surely all other authorities and rules have to be decided by the board as a whole. The chairperson of the board will be governed by those rules, will work within that framework and not be a czar with the rest of the board members merely rubber stamps. There must be a collectivity of the entire board in the devising of the rules of the operations, the rules of investigation, rules regarding the allocation of duties and what not. Without that you end up with one or more rubber stamps on the board.

In relying on some of my own experience years ago appearing before the Canadian Transport Commission, the chairman of the Commission had supreme authority over all members of the Board. I can recall one occasion when we were dealing with transcontinental passenger trains as they were then operated or not operated by CN and CP. A group of three witnesses appeared before the Commission in Regina. The chairman kept interrupting the witnesses, commenting and editorializing on what was in their submission.

An Hon. Member: Was that—

Mr. Benjamin: No, that was Jack Pickersgill. Finally, after continued interruption, the witness who was then speaking said to the chairman said:"What is in this brief is our opinion based on some knowledge, investigation and research. Whether you like or dislike our opinion is beside the point." The chairman of the CTC then said: "Don't you realize I can hold you in contempt?" The witness replied: "Mr. Chairman, I wish you would because that is it exactly."

When you have a person chairing a board of that stature, he cannot be operating without the approval, authority and will of the entire board. Otherwise the Minister and the Government do not need a board, all they have to do is appoint a one-person board. Let him do the whole works. Give him a staff of 300 to 400 people and one person can decide if you follow the present reasoning in the legislation. We also say that the Minister and Governor in Council in consultation with the board will select a vice-chairperson. While we agree with the Bill, we state in our amendment that:

> "The chairperson is the chief executive officer and subject to paragraph (a) hereof, shall have the responsibility for the administration of the board and such powers and duties as are delegated to him by the Board"—

If it would require an Order in Council to make those powers and duties legal, that would be fine, but they are to be designated by the board. Of course there will be consultation between the Minister and the Minister's officials and board members and board staff in arriving at those powers and duties. It should be a collective

decision of the entire board, a frame of reference under which the chairman must act.

• (1550)

It seems to me that what this amendment seeks to do is so obvious that there should be no difficulty having it accepted. The amendment of my colleague from Thunder Bay—Nipigon is much shorter than mine, but I think it essentially means almost the same thing. Perhaps it does not mean quite as much, which is why I suspect the Chair ruled that the amendments be debated together but voted on separately. I believe my amendment is more all-encompassing than the amendment of my colleague, but his does go some distance toward accomplishing what many of us on the committee and what many of the witnesses were after.

In exercising the powers given to him by the board, the chairperson of the board still has to take into account other laws that affect the operations of the board, including the Public Service Employment Administration Act, the Public Service Staff Relations Board legislation, the Canada Labour Code and a whole host of other laws by which not only the chairperson but the members of the board will be governed. I hope the Government, having had some second thoughts, will agree that this is one amendment it can accept. It received some discussion in committee and it certainly held the attention of a number of witnesses who appeared before the committee. My colleagues, including the Hon. Member for Thunder Bay—Atikokan (Mr. Angus) who led the way for us in the committee are of this opinion, as are many others in the transportation sector of Canada's economy, as well as experts from outside the transportation sector, including universities and the Consumers' Association. They all think that this is a good, sound way to set up the operations of a board of this magnitude with this volume of responsibility.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Madam Speaker, I rise to support my motion, motion No. 7, and I compliment my colleague from Regina on his remarks about motion No. 6. That motion is very similar in content and intent.

I suggest that fundamentally what my colleague from Regina is attempting to do and what I am attempting to do today through this motion is to make the wording of the Bill more simple than it is at the present. I agree with the Hon. Member that during the committee meetings, at which we heard many witnesses, one of the fundamental concerns about this Bill was with regard to the dispute under the previous legislation, the Canadian Aviation Safety Board Act, as to what the duties of the chairman were or ought to have been and what the duties of the board members were or ought to have been. When we reviewed that legislation, we found that there was some fuzziness and that there was no clear intention given to either one or the other as to what its duties and functions were to be.

My colleagues and I, including the Conservative members of the committee whom I compliment for this, were all trying during our deliberations to come up with something that was workable for this clause of the Bill to allow the chairman to pursue his duties without confrontation with board members and for the board members to perform their duties without confrontation with the chairman, something which I am sure both sides wanted to do under the old legislation. That is what we are attempting to do by moving these motions in the committee.

For clarification and for the benefit of my friends across the Chamber, let me deal with motion No. 7, which is fairly simple. The motion provides that the chairperson is the chief executive officer of the board. Let us deal with the concept of a chief executive officer. How would that be interpreted in a court of law? We are trying, for the sake of clarity, to avoid the kind of confrontation that may occur in the courts if certain clauses of the Bill are taken for interpretation.

I think it is implicit to any of us in this room or to any court that a chief executive officer has extra duties over and above those of a general manager or a chairman of the board. The chief executive officer of any corporation, if we make this analogous to a corporation, has many added duties. Many committees report to the chief executive officer about ongoing activities of the board over which he is the chief executive officer.

We often talk about the president of an organization together with the chief executive officer, but they are separate titles. In this legislation, we are saying that the chairperson shall be the chief executive officer. I think it goes without saying that it is still left for the Minister responsible to make that appointment, and we are not debating that, although there was some discussion about it. If I am correct, the appointment of a member from the five-member board was to come from one who was

extremely knowledgeable in administrative matters as they affect public institutional boards.

By calling the chairperson the chief executive officer, the Bill already gives that person substantial powers. We are not trying to take these powers away from the board but from the chairman so that they are vested in the board. We are asking our friends to consider taking away from the Bill the reference to managing personnel matters, financial matters and property matters and all other aspects of the internal management of the board. It is our hope that these activities become the responsibility of the board which in turn, through powers given to it later on in the Bill, can delegate them to those responsible should the board decide that these administrative matters or personnel matters should be delegated. It has the power to delegate them and it can delegate those powers to the chief executive officer or to the general manager.

The fundamental point is that once those powers are delegated, rather than coming back to the chairperson, those matters have to be reported back to the board in its entirety, the chairperson be part of the board. It is a board responsibility for the administration of those affairs and the administration of the Act.

• (1600)

With respect to my colleague from Regina—I know that this is the position of our members—by delineating those substantial powers, not removing them from the structure of the committee but removing them from the chairperson's responsibility and putting those functions into the board's responsibility, whoever is fulfilling those functions must report back to the board, it would go a long way to correcting the problems that, in our opinion, the Canadian Aviation Safety Board had in the administration of its affairs, particularly when it came to the investigation of accidents.

That is the fundamental reason why we discussed at great length the differences in the delineation of powers between the chairperson and the members of the board. It is our position that the board should retain those powers. I hope that my friends and colleagues across the aisle will reconsider their position on that point, see the wisdom of our deliberations and our investigation into this area and grant us this motion.

Mr. Bill Blaikie (Winnipeg Transcona): Madam Speaker, Motions Nos. 6 and 7 that we are debating today spring from the same general concern over the concentration of power in the chairperson of the board. The feeling of members of the Opposition is that the Government would be well advised to consider amendments which distribute this power in a way that would make the board more of a collective decision-making body in reality and in practice.

The concern with the amount of power vested in the chairperson by the legislation as we have it now without those amendments, is that there will be a tendency on the part of board members, staff, and everyone, as has been the case before with other boards, to defer to the judgment, to the desires, biases, prejudices, however one wants to describe it, of the chairperson. In the final analysis, this is destructive of the collegiality and the collective decision-making that we want the board to be capable of. The Liberal amendment and our amendment, both from two different angles, address that problem.

The Conservative Government has a history of talking about the decentralization of power and not wanting to vest any one bureaucrat with too much authority. Here it has an opportunity to live up to its own rhetoric. What is it doing? It is going down the same old Liberal bureaucratic road of vesting all the power in one appointee who no doubt will know very little about that which he is appointed to preside over. He might be somebody rescued from a parliamentary debacle, such as Mr. Nielsen was when he was appointed to the NTA, and there are numerous other examples. I realize that this is an *ad hominem* argument. However, given those types of people, and the type of authority that this legislation does give, it is an invitation to tyranny which should be repudiated by Parliament.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Madam Speaker, I rise to support the motion of my colleague, the Hon. Member for Thunder Bay—Nipigon (Mr. Comuzzi), and by extension to support the motion of the Hon. Member for Regina—Lumsden (Mr. Benjamin).

These amendments provide an opportunity for the House to make a straightforward but fundamentally important decision. The decision is, I believe, the crux of the whole debate that we have had in the Standing Committee about this Bill. I submit that the cleanest of the two amendments is the one presented by the Hon. Member for Thunder Bay—Nipigon (Mr. Comuzzi). However, without one of those amendments, simply put, the new multi-modal accident investigation board will be run by a chairman. As the Bill is currently drafted, the chairman of the board will have all financial power, all powers of delegation, will have the power to hire and fire the chief investigators into major transportation accidents or occurrences, will have the power to set the agenda of the board, and will have the power to decide what board members will do what work. In essence, one individual will have all of the legislative authority required to literally completely run an agency with the responsibility for doing an overview or an investigation of four modes of transportation. That is a tremendous amount of power to put into the hands of one individual.

The other four board members of this multi-modal agency will only be able to function at the discretion of the chairman, and to the extent that the chairman shall allow them to function as independent agents exercising their best judgment and consciences in, first, conducting investigations, and second, reporting to the public on causes of major transportation accidents.

These amendments propose to acknowledge a board of five individuals. Hopefully, they will be individuals qualified for this type of work.

However, as the Hon. Member for Thunder Bay—Nipigon proposes, it leaves it to the board, to five, mature, intelligent, dedicated, and qualified men and women to establish for themselves ground rules as to how they will function, to establish for themselves collectively what type of accidents ought to be investigated and in what manner they should be investigated. It also leaves them to establish for themselves what kind of qualified staff should work on behalf of this board and should have the power collectively to hire and fire.

The question is a very fundamental one. Given the history of the Canadian Aviation Safety Board, the history of division, the current lack of public confidence that arose out of dissent, do we respond to what was too much dissent that caused a loss of public credibility in the case of CASB and the Gander crash, and the tragic loss of life, by totally eliminating the possibility of dissent? By having a chairman with an iron fist? By ensuring that members, even if they disagree in the most fundamental way with the workings of the board or the conclusions of an accident investigator, are silenced by cutting off their hands or by sealing their lips? Does one respond to dissent by ensuring that there is never dissent again?

Not one single witness who came before our committee suggested, nor would any serious individual suggest, that dissent of and by itself is a bad thing. That is why there is more than one member of a board, because more than one point of view is wanted, and the possibility of a minority or a majority disagreeing with the conclusions or practices of a chairman. That is the very essence of democracy. That is what this Chamber is about. It is a vehicle for dissent in a democratic society.

It seems strange to me that Parliament would concoct, as important as it is, an agency called the multi-modal accident investigation agency and establish it in a way that would eliminate the fundamental of any reputable agency, that is, that there is the possibility of dissent.

• (1610)

That there is the possibility of more than one point of view being heard so that as we sail Canada's waters, as we fly, through jet aircraft or other means, Canada's skies, as we take the rails across this country, as we sit in our seats and travel, we can rest assured that there is a multi-modal agency that has within it a board that has the power of dissent, the ability for more than one opinion, and the most critical analysis possible to ensure safe transportation.

Failure to adopt the amendment by my friend, the Hon. Member for Thunder Bay—Nipigon (Mr. Comuzzi), or the amendment of the Hon. Member for Regina—Lumsden (Mr. Benjamin), leaves us with a possible situation. I am not saying it is certain, but it is certainly possible that one strong-willed chairman will run this board in such a way that it will be the brainchild, the baby, a vehicle for the thoughts and views of only one person and that four other people will act as mere window dressing. As I fly along, as I frequently do back and forth to Newfoundland, I do not find that a comfort-

ing thought. I do not believe that Canadians would find it a comforting thought.

If we are not afraid of more than a single point of view being heard on something as fundamental as safety in transportation, let us create a board that is truly a collective board with collective authority. Let us not establish a board with a chairman who reigns supreme, because we know from experience throughout history that that kind of configuration, whether it be for political purposes or in the workings of any kind of committee, leads not to a healthy, open and democratic institution but, rather, to an institution that too frequently ends up resembling the views of one individual. That is not in the interests of Canadians.

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

The question is on Motion No. 6 standing in the name of the Hon. Member for Regina—Lumsden (Mr. Benjamin). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mrs. Champagne): Pursuant to Standing Order 76(8), a recorded division on the proposed motion stands deferred.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte) moves:

Motion No. 8

That Bill C-2 be amended in Clause 12 by adding immediately after line 12 at page 11 the following:

"(3) At meetings of the Board convened for the purpose of discussing a specific transportation occurrence, at least one member of the Board shall be qualified in the mode of transportation which is the subject matter of the occurrence."

Accident Investigation

He said: Madam Speaker, I want to say at the outset in proposing this amendment to colleagues opposite, who are no doubt sitting on the edges of their seat waiting to hear the rationale for this important motion, that I make a genuine appeal to Members to consider the value of this amendment. I should say for Members who are here in the House today but who were not part of the work of the standing committee, that I believe the work of the Standing Committee on Transport on this Bill reflected perhaps more than the work of any other committee in my memory and time here the spirit of reform as proposed by the McGrath-Ouellet-Blaikie committee.

Madam Speaker, I refer to Members' names only in the context of the reform report because what that committee proposed was that in so far as the deliberations of Members are concerned with respect to creating legislation in standing committees—not here in the House, not before television cameras, not in the context of a partisan exchange in an election, not even in the context of Question Period, but in the context of individual Members with an interest in a particular area, in this case transportation—that we really ought to be not Liberals, New Democrats or Conservatives but individual Members exercising their best judgment. That is what the spirit of reform was all about.

In the standing committee, we saw many occasions where both Liberal, New Democrat and Conservative Members disagreed with the Party line. We saw motions proposed by the Opposition defeated, motions that we thought would have carried because they had government support, but because opposition Members did not agree. We saw government motions defeated or opposition Members carried with the support of government Members. It happened repeatedly. The exercise in the standing committee consequently was a very good exercise, not only for Members but for Canadians. They got a non-partisan effort.

I say that because I want Members who were not part of the standing committee to look at the amendments we are proposing in the same light. The amendment, Motion No. 8, proposes to change Clause 12, which essentially sets out the size of the quorum. It states three Members constitute a quorum. We want to add to that by saying that at meetings of the Board convened for the purpose of discussing a specific transportation occurrence—that means an accident—at least one member of the board shall be qualified in the mode of transporta-

tion which is the subject matter of the occurrence. In other words, if three members come together to discuss an aviation disaster—God forbid—three out of five, that one of those three must be somebody with aviation experience. It could not be more obvious than that.

If there were an accident on the pipeline side such as we saw in the horrific incident in Russia last week where hundreds, perhaps 1,000 lost their lives, that three of the five who get together to discuss a pipeline occurrence in Canada, one of those three must have expertise in the pipeline area. The same for rail and marine. All we are saying is that if you have a major occurrence in one of the modes, let us not have an aviation expert, a marine expert, or a rail expert discussing pipelines. Let us not have a rail expert and a marine expert, in a third mode, discussing an aviation occurrence. Let us at least require that one of the board members with knowledge and expertise other than the full-time bureaucracy must be qualified to discuss an event.

It seems such an obvious and rational approach to doing the business of the board that it should not require amendment. But I believe it does require an amendment. Everyone would tell us, if Members opposite would stand and speak, that they would not disagree with that. They expect that is the way the board is going to work anyway. It is such a logical thing that no one could disagree. If that is the case, let us put it in the Bill. Let us rest assured that when the board considers a tragic occurrence—and a tragic occurrence translates into loss of life, such as Gander, Dryden, Hibernia oil disaster, to name but three—the job of the board is twofold. It should investigate, tell us what went wrong, and make recommendations so that those kinds of occurrences may never happen again.

Surely, Members using free will and concerned only with making a better Bill, should not be concerned with whether the motion comes from a Liberal, a New Democrat or a Conservative, but concerned only with creating the best legislation possible. They could not disagree with what is such a humble but fundamental proposition necessary to ensure that this Bill is a good Bill, that Parliament has done its job and that the people of Canada are well served.

• (1620)

Mr. Les Benjamin (Regina—Lumsden): Madam Speaker, I rise to compliment the Hon. Member for the amendment he has moved. The Hon. Member's motion is in some ways a consequence of my Motion No. 5 on which the vote has been deferred, but can also stand on its own no matter what happens with that vote.

According to the Bill as it reads now, people can be appointed to the board because they belong to the frequent flyer plan. People can be appointed for being a frequent ferry user, a frequent shipper and receiver of freight, a frequent passenger on VIA Rail for however long it lasts. That is not good enough.

The motion would require that there be some qualification for one of the modes of transportation under which the investigation of an occurrence is taking place. Again, reflecting on our experience with previous boards and commissions, one cannot have a chartered accountant deciding what happened in a railway wreck no more than a locomotive engineer, trainman or dispatcher can decide on accounting law. This is so self-evident that I wish the Parliamentary Secretary would get up and state whether the Government is prepared to accept these amendments. Perhaps he can give us the rationale for supporting the Bill in its present form and the reasons for rejecting this or any of the other amendments so that people can decide, in light of our arguments and his arguments, which side may have a case.

All Members will agree that the committee had an excellent session dealing with the Bill clause by clause. We heard many witnesses and dealt with them expeditiously. It was a non-partisan exercise, and there were occasions when members of the committee, from both sides of the table, agreed or disagreed with elements of the original Bill. That is how committees should function under the new regime of so-called committee independence.

The Government has not provided sufficient argument in support of this aspect of the Bill. I recall talking to a member of the former Canadian Transportation Commission who was travelling to another part of Canada to investigate a railway accident. We were on the train from Winnipeg to Regina, when we pulled into a siding. He did not know that eastbound trains had priority over westbound trains, which is a fact known to railroaders

from management to the workers on the tracks. He did not know that first-class trains had priority over second-class trains.

He did not even know the meaning of the green board, orange board and red board on the train ordinal signals beside the tracks. He was unfamiliar with such terminology as clearance, "train order", or "meet or run late" and "run ahead of". Yet this person, who is knowledgeable about other things, was on the board investigating a railway accident. He knew nothing about railroads.

My hon. friend's amendment makes eminent good sense. I wish the Parliamentary Secretary would explain why he believes this amendment is not rational. To reject this amendment seems to me to fly in the face of good sense. A board which consists of people who are knowledgeable about the mode of transportation to which there is an investigation would earn more respect from the public. If we ever needed an increase in credibility and stature of an accident investigation board, goodness knows that is long overdue in this country in light of some of the bitter experiences with previous boards and commissions, most recently the Aviation Safety Board. The fact that at least one of three board members investigating an accident is knowledgeable about the particular mode of transportation in question would lessen the likelihood of dissent.

It is true that a majority decision of the board is a decision of the board, and presumably the minority can append their minority opinion, but I believe this amendment would help reduce the number of occasions when there is dissent. The function of the board is to gather the reports on the investigation involved, of which there can be many, to issue interim reports and recommendations, and finally make a decision with recommendations about future policy and, as my hon. friend said, to try to ensure that the likelihood of the same thing happening again is substantially reduced, if not eliminated.

I hope the Government will agree to this amendment. It is worthy of the support of the House. It certainly reflects the view of the many witnesses we heard and I want to make this last effort to persuade the Government to accept the amendment of the Hon. Member.

• (1630)

Mr. Bill Blaikie (Winnipeg Transcona): Madam Speaker, I would just like to say a few words about this amendment, and about the whole question of safety which presumably this legislation has to deal with. The point has been made that people ought to be knowledgeable about the mode of transportation which they are investigating.

I am just going through my correspondence here and I notice a call that I received from the system's general chairman of the union of Rail Canada traffic controllers whose national office is in Winnipeg. They represent train dispatchers and operators. They are faced with the abolishment by CN of operators, some 20 to 30 so far in Manitoba, and perhaps 50 more by July 31. Their duties are being transferred to dispatchers in the dispatching office in Winnipeg. This is happening across the country. The union had tried to deal with CN in Winnipeg but had a very difficult time in doing so. They feel that safety is being compromised by this policy which CN is pursuing. The additional paperwork which the dispatchers have to do, due to the abolition of the operators' jobs, means that the signal systems cannot be monitored properly, and cannot be monitored in the way which they should be.

They feel that this is a safety concern. They have written to the Department of Transport about this. All they get are answers back saying that this has to do with the collective agreement, et cetera.

I raise this because this is precisely the kind of thing where if there should be an accident as a result of CN's policy of putting too heavy a workload on the dispatchers, it is something that we would want in an investigator. We would want someone who knew something about railroading and something about dispatching, et cetera, and someone who could look back, not only at the circumstances prevailing right around the event but into the policy decisions which have been taken by the company recently which may have contributed to the context in which the accident took place.

I hope in the time since I have heard from this particular union concerning CN's policy that they have made some progress with the company. Knowing what I know about CN lately, I am not going to put much money

on it. This is a good example of what is wrong with our transportation system right across the board.

Transportation companies are literally being quite mad in their frenzy to combine jobs and to cut positions.

An Hon. Member: Deregulation.

Mr. Blaikie: Also as a result of deregulation. In so doing it creates all kinds of safety hazards, safety hazards which may not yet have manifested themselves in real accidents. We should be grateful for that. However, they are nonetheless safety hazards which are being created as a result of deregulation and as a result of the irrational obsession of CN and other transportation companies with downsizing and the elimination of positions for the sake of elimination, without regard to the heavier workload which is being put on the employees who remain.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Thank you, Madam Speaker, for allowing me to speak on behalf of the motion put forward by my colleague for Humber-St. Barbe—Baie Verte (Mr. Tobin). I am going to be fairly short, and emphasize a point. I am pleased that the Parliamentary Secretary who attended all of the hearings will understand that the spirit which was prevalent throughout the committee was one of trying to structure and develop a Bill which was truly operative by the intent for which the Bill was designed.

The intent was: First, to investigate accidents in all modes of transportation in our country. Second, through the recommendation by one of the members which we supported, that for the safety aspects to come forward with safety recommendations the genesis did not necessarily have to come from an accident in order for this board to say to transportation agencies in our country: "Look at, we must prepare or do something because we have an unsafe condition here."

I think that was the spirit which prevailed and permeated the entire committee. I am hoping that that same spirit will prevail as these amendments are considered. The amendment made by my colleague is basic and fundamentally sound. It has its genesis in Clause 4 of this Bill. I want to read that, if I may. It shows the reason why this amendment should go through.

Clause 4 states, among other things, when it talks about the composition of the board:

> (2) The Governor in Council shall appoint as members persons who, in the opinion of the Governor in Council, are collectively knowledgeable about air, marine, rail and commodity pipeline transportation.

That now will pass and become part of this legislation. If we have any meaning for Clause 4, subclause (2), why then do we hesitate to add this amendment which says that the people who we appoint, who must have collective knowledge in certain areas of transportation occurrences in our country, should then not apply that collective wisdom at the board hearing which is investigating that occurrence. It just follows that if we believe in what Clause 4,subclause (2) states about the collective knowledge, and it was spoken to at great lengths at the committee hearing to define what collective knowledge meant, then it only strengthens the point that my colleague is making that one of those people who are appointed to the board must be knowledgeable in the area of the accident or occurrence which is under investigation. If they do not approve the amendment, I challenge the wisdom of putting forth Clause 4, subclause (2).

Mr. John R. Rodriguez (Nickel Belt): Madam Speaker, this is an eminently wise amendment. What my hon. friend wants to do is to amend Clause 12 of the Bill. Clause 12 simply states that the chairman shall assemble a meeting at the written request by two or more members and that three people will constitute a quorum. What he is saying, Madam Speaker, is that if there has been an accident on the rails, for example, and the chairman calls a meeting, three people can be assembled for the meeting. There is nothing in there which states that any of them shall have any specific knowledge of rails. It seems to me eminently wise that one of the three people ought to have some specific knowledge about the way in which the railway system works.

We have gone through about five amendments, and I am at a loss at the silence which emanates from across the way. I would like to know why the Government would not accept an amendment which seems so commonsense.

The Parliamentary Secretary sits over there reading his notes, but he will not get up and tell us why this particular amendment is not acceptable. I think the Government owes it to this House to respond to the commonsense suggestions of the Opposition. Nothing

that has been presented so far detracts from the thrust of the Bill. In fact, it strengthens the Bill. It strengthens the confidence of the travelling public and Canadians at large that, in fact, we do not have the fiascos we had with the air safety board. We all recall that. It is actually the genesis of this Bill.

• (1640)

The Minister of Transport (Mr. Bouchard) was so embarrassed by that whole fiasco involving the air safety board investigating the Gander crash and having five different opinions about what happened that he burned the midnight oil over at the transport building and came up with this new animal. We agreed with the concept. We have no problem with that. There is nothing that has been suggested here by my colleague, my good friend from Newfoundland or my very good friend from up in the Lakehead that is radical, although I would support it if it were. There is nothing here that is revolutionary, although I would support it if it were. That is the extent to which I am prepared to be flexible to accept these pussy-cat amendments. I am prepared to accept them. They make sense to me. I think they make sense to all Members in the House.

However, what do we get from Members opposite? Silence. It is like a tomb over there, Madam Speaker. There is no response. In fact, in committee some of these amendments came close to being passed. The Government owes it to the House to express itself on these amendments.

Does the Government not think it is important that one of the three people investigating a particular accident, whether it be on the sea, in the air, on land or involving a pipeline has to be expert in that particular field? Is that unreasonable?

I am asking the Parliamentary Secretary this. He seems to be a stand-in for the Minister, albeit it a stand-in with a little bit more hair—or a little less hair. I wish there were a 10-minute question period. I want to ask him this. Does he not think that this is a reasonable amendment? What does he say? Nothing.

I ask the Government to think about these amendments honestly. It looks as if it will have a respite at 5 p.m. We would like to support the Bill totally, and make it a better Bill. We believe these amendments would do that.

I ask the Parliamentary Secretary to relay the message to Benoît du lac to take it under advisement. Maybe they will come back and accept the amendments of my colleagues in the Opposition.

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mrs. Champagne): The question is on Motion No. 8 standing in the name of the Hon. Member for Humber—St. Barbe—Baie Verte (Mr. Tobin). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the nays have it.

And more than five Members having risen:

[*Translation*]

The Acting Speaker (Mrs. Champagne): Pursuant to Standing Order 76(8), the recorded division on the motion is deferred.

[*English*]

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte) moved:

Motion No. 9.

That Bill C-2 be amended in Clause 19 by adding immediately after line 33 at page 19 the following:

"(17) An employee statement obtained pursuant to a collective agreement is privileged, and no person shall have access to such statements, except as authorizedin writing by the person who made the statement."

He said: Madam Speaker, one of the Parliamentary Secretaries suggested as an aside a moment ago that we just vote on these motions and save the House some time. I must be an eternal optimist because I continue to believe that one day it is possible that when presented with a sound proposition, a proposition that can be defended by logic and reason, that somewhere across the way there will be Members whom, if they are attacked often enough by both logic and reason, will respond. I am convinced that Members opposite at some point in time, unlike Pavlov's dogs, will not respond automatically like trained animals to the bell that goes off when the Parliamentary Secretary turns thumbs down on a reason-

able proposition. One day Canadians will be absolutely shocked and astounded—perhaps some faith in the democratic process will be restored—when Members opposite say to the Parliamentary Secretary when he turns thumbs down on a very sound, reasonable and proper proposition: "No, dammit. We will vote once on behalf of the people of Canada. We are going to do something good for a change. We are not going to take your orders".

Some Hon. Members: Hear, hear!

Mr. Tobin: It is with that perhaps vain belief in mind, with that vain hope in mind that I continue to stand and put propositions that I believe are designed to serve the public interest and hope that one day my colleagues opposite will rebel from this tyranny of a Parliamentary Secretary who expects them to behave like puppets at the direction of his thumbs up or thumbs down.

What does the amendment state? I believe that it should be reread. I would like my colleagues from the New Democratic Party to pay attention to it. It states:

> An employee statement obtained pursuant to a collective agreement is privileged, and no person shall have access to such statements, except as authorized in writing by the person who made the statement.

What it states is that in the course of conducting an investigation into an incident, an occurrence, an accident, that in some modes, specifically for the moment in the rail mode, there are provisions in the collective agreement between the company and the employees which prevent statements made by employees to company officials from being made public. In other words, those statements must be kept in confidence.

Members should know that both the industry—these companies in question—and the employees in question on any number of Bills appearing before the standing committee have said that the confidential nature of those statements made by employees to their employers have become extremely important to the safe operation of train companies, that is, CN and CP.

Why is that? It is because both parties know that those statements when given will be kept in the strictest of confidence, that those statements will not find their way outside the employee-employer relationship and that employees making statements having that assurance are completely free to be forthright, honest and above-board.

In terms of safety, because there is a guarantee of the confidentiality of that statement, the value of the information given is multiplied 1,000 per cent in the day-to-day running of the company. Those employee statements are not just information on how the widgets work or on how the technology works, but are also comments on some occasions without prejudice on the performance of fellow employees. As trains hurdle across the tracks with freight and bodies—human beings aboard those trains—we know there is an employer-employee relationship providing for a frank and full exchange of information aimed at ensuring safety.

• (1650)

What this Bill would do unless amended would be to give the investigators the power to subpoena those confidential statements made under a provision of the collective agreement. The second this Bill has the power to subpoena those statements, you can be sure that the nature of those statements will change. Once the employee and the employer knows that those statements are liable to end up as a centrepiece to an investigation, the day-to-day practice and operation of that railroad company, based on the value of these confidential statements, is gone. You will no longer have the kind of openness and forthright comment in those confidential statements that today are a large contributor to the safe operation of the railways.

Now logically the public might say: "Well, you know, if there is an accident I want those investigators to get their hands on every piece of information available. I don't care about a collective agreement.", except you have to be aware that the day you violate the collective agreement those statements no longer have any value. In other words, the kind of material going into those statements will radically change. It will be puffery.

What I propose to do in this amendment is to protect those confidential statements which are part of the collective agreement, to protect the value that they have for the daily running of a railroad not only on the

occasion of an accident but day to day, week to week, month to month, year-in and year-out. At the same time, if you look at the wording, it says that the statements shall be protected except as authorized in writing by the person who made the statement. There is nothing stopping an employee who feels that something he has said, some information he has, is valuable to an investigation from making that information available to the Board.

The Bill goes further. What about Clause 30? An existing clause in the Bill says that any information given to the Board by an employee wanting to contribute to an investigation that that information shall be kept confidential from the company. There is already a guarantee in this Bill that if some employee, in any mode of transportation, goes to the Board independently to say: "Look, I think there is information you should have about my company, the way it operates or a fellow employee that is pertinent to an investigation", that that information shall be kept confidential. Again, it is information obtained on a voluntary basis.

If the Bill recognizes the importance of keeping information confidential through Clause 30, an employee who wants to make information available to the Board is given protection as it were, then surely this Bill should also anticipate and recognize the value of the collective agreement clause which provides for confidential statements between the employer and employee and that the value of those statements is lost the day those statements are no longer protected.

Members will well appreciate, although it seldom works as well as we would like, but the purpose of a caucus among political parties is to allow free, frank and open discussion without fear theoretically that that discussion will find itself into the front pages of the newspaper. Occasionally it does. We all know that when it does the nature of our caucus changes dramatically. The same is true with a confidential statement made or with confidential exchanges between an employee and employer. Those are the practical reasons to support this amendment. I have one last point.

Unless we accept this amendment we are arbitrarily and unilaterally, in effect, as a Parliament invading in the most fundamental way on the collective bargaining process. We are saying arrangements that have been worked out and negotiated in good faith by both the employer and the employee are arbitrarily violated by Parliament in the process of drafting and passing this Bill. If that is not a precedent, then certainly it is a very unhealthy and dangerous action. I submit to Members that the Bill is served and, most important, transportation safety is served in accepting this amemdment, in preserving the confidential nature of statements between employees and employers and that ultimately there is within this Bill the power to obtain any information that is required by other means in any case.

Mr. Les Benjamin (Regina—Lumsden): Madam Speaker, I rise in support of the motion of by my hon. friend. It does not go far enough as far as I am concerned, but the distance that it does go I fully agree with and support. It will be argued if anyone were to get up on the government side that there is adequate protection in other places for the confidentially—

Mr. Tobin: There is not.

Mr. Benjamin: It was argued by some in the committee that there is adequate protection for the confidentiality of employer-employee statements—

Mr. Tobin: Employee.

Mr. Benjamin: —elsewhere in a collective agreement, in another piece of legislation or even in this one. This one talks about statements taken by the investigators of the board, not the company nor the employers. I want to say to my good friend, the Hon. Member for Fraser Valley East (Mr. Belsher) and the Parliamentary Secretary, that I wish he were spending the entire day earning his keep as a Parliamentary Secretary but so far he has chosen not to. I want to remind him and his colleagues that in spite of what some of them might think—and I know my hon. friend does not think this—the Opposition is not 100 per cent wrong nor is the Government 100 per cent right. We have realized that numerous times in countless committee meetings and in Bills before this House.

I said that I did not think the Hon. Member's motion went far enough because I think an employer should not be allowed to take a statement from an employee until after an investigator of the board has interviewed and taken a statement from the employee himself. In other words, the employee, like the site of an occurrence, is quarantined as far as the company is concerned until after the board has taken a statement.

I submit that a statement taken by an investigator of a board is quite likely to be more forthcoming and open than one taken by the boss. Unless you guarantee the confidentiality of a statement taken by the employer in this legislation, as my hon. friend said, employees will be extremely, shall I say, guarded in how much they say about their own involvement in an occurrence or in the involvement of a fellow employee who might be a good friend. The primary interest of an employee giving the statement is about safety and the protection of all employees and the public. I think the amendment is well made and well taken. May I call it five o'clock, Madam Speaker?

The Acting Speaker (Mrs. Champagne): It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

• (1700)

[*English*]

CANADA LABOUR CODE

TECHNOLOGICAL CHANGE COMMITTEE

Mr. Ron Fisher (Saskatoon—Dundurn) moved:

That in the opinion of this House, the government should consider the advisability of amending the Canada Labour Code to provide all regulated workers with the right to create, upon the demand of 10 or more workers, a Technological Change Committee which will be entitled to advance notice of technological change and full information about the impact of proposed technological changes on employment, job content and work processes.

He said: Madam Speaker, it gives me a great deal of satisfaction to be a participant in what I understand to be the changed rules of the House for Private Members hour. When I submitted this motion, I had no idea that the Government would come up with a reference to training ethic, which reference occurs in the changes to the Unemployment Insurance Act. It is an admission by the Government that the corporate world has some responsibility to society and to its employees.

Training ethic does not express my entire concern insofar as the private sector is concerned. I suggest that the right of employees to become involved in technological change as it affects them, their workplaces and their communities is an extension of the idea of the training ethic into what I think ought to be described as the total responsibility of the private sector.

Motion 225 brings to our attention the fact that the corporate world is not living up to its responsibility when it comes to the introduction of technological change in the workplace. It is not living up to its responsibilities to employees and to the communities in which it operates.

The motion provides that employees should have the right to a Technological Change Committee with the right to be informed well in advance of changes which could affect their jobs, their health, their safety, their earning capacity, the work processes with which they have to become familiar and indeed the content of their jobs themselves. I say they should be informed well in advance. I hesitate to put a time limit on it, but I would suggest that a minimum time ought to be at least 12 months. In short, the motion provides that workers be given full information about the impact of proposed technological changes on employment, job content and work processes.

Employees and the communities in which they live have a right to know well in advance of changes which, as experience has already shown, affect the employees and communities adversely in almost all cases. The situation with which we are faced is contrary to what we were told at the outset of this technological revolution. I am sure everyone here remembers the glowing terms with which the technical revolution was introduced, the stories which purveyors of new technology told us when it was being introduced into society. New technology was to create a society that would be beyond our wildest dreams, a leisure society in which everyone was able to benefit from the wealth created.

There is no doubt that more leisure time has been created. We see it almost everywhere and we see its negative face of unemployment. There can be no question that the technological changes introduced within the last decade have contributed in no small measure to the very high degree of unemployment from which society is suffering. With the changes to the Unemployment Insurance Act, I would suggest that the level of unemployment will be even higher and more obvious.

The wealth has been created too. Over the last decade since the major introduction of technological changes, the corporate world has experienced for the most part an even level of return on investment, but that return has not found its way down, as the monetary theories of Milton Friedman, Ronald Reagan, Margaret Thatcher and the like would have us believe. It has not trickled down to the average Canada, or for that matter, to the average person anywhere within the spheres of influence of Milton Friedman's misguided economic theory. Employees have not benefited, nor has society benefited. There are more food banks than one could have imagined at the end of the 1930s and during the economic up-turn of the 1950s and the 1960s. The communities have not benefited.

Motion 225 is an attempt to ensure that the promise of the technological revolution is fulfilled for all Canadians. To that end, it is necessary to look at some of the proposals for employment, job content and work processes in a more detailed way.

First, we must have definition of technological change. This definition must include reference to the work, the undertaking or the business carried on by an employer. It must include reference to any change in equipment or material used in the work, undertaking or business of the employer. It must include any change in the methods utilized in the work, undertaking or business of the employer and it must recognize any change in the way in which equipment or material is used in the work, undertaking or business of the employer.

If we are to protect employees as fully as they ought to be protected from the adverse effects of technological change, we need to have provisions for them to receive adequate notice of the fact that there will be a change in the workplace as defined by technological change. This is important for several reasons. The experience of industrial assistance programs have demonstrated with the more advance notice to employees of lay-offs, and there is the possibility of lay-offs when it comes to technological change and I will deal with that later, the adverse effects on the communities, on the employees and on the employers as well for that matter are far less severe than they are when, as is too often the case, the employees go to work at 8 o'clock in the morning only to be told at 8.05 that their jobs are no longer viable and that by 12 noon they must have cleaned out their lockers, taken their clothes and equipment home and turned in whatever belongs to the company.

As one can imagine, under such circumstances the trauma is insurmountable. The personal loss and grievance suffered are immeasurable. Notice has to be given of contemplated changes, and that is obvious for the reasons I have already mentioned.

• (1710)

There has to be a disclosure by the employer of the nature and the description of the technological changes themselves. There also have to be provisions that the effect of the technological change is made available to the employees. Issues have to be raised, such as the number of employees who will be affected. In cases where a company has more than one place of operation, the location where those jobs will be affected, the job classes involved, as well as those jobs and classifications that will be terminated or redesigned in such a way that retraining may also be necessary.

The effects on employees also has to be part of the disclosure provisions for the protection of employees. For example, effects on such things as skills and whether the skills the employees have will be adequate to enable them to remain at work. Whether they will be able to exercise the skills they have, or indeed whether they may have to acquire new ones.

It is important for employees to know whether the skills and the seniority they have accrued will enable them to remain as employees of the company. There also have to be provisions to apprise the employees of the effects of the technological changes on their health and safety.

Within the terms of disclosure, it would also be helpful for employees to be able to visit locations where the proposed changes have already been put into effect in order that the committee which will be set up will be able to evaluate whether or not in the first instance the proposals the company is making are realistic, and whether or not the disclosure with which they are in the process of being involved bears relation to what is likely to happen.

An important element, and something which all parties concerned should rightfully be aware of, is the matter of confidentiality. Quite often the implication comes forth that if the company is to disclose its innermost secrets in so far as what it is going to do, the employees will spread that information, or perhaps in

the first instance the company will, and by definition that is foolishness. Technological change proposals should involve, quite rightly, provisions for confidentiality.

There should be assurances of job security both for those employees who will remain and for those who will be laid off or whose jobs will be significantly altered. There should be a designation in the original disclosure information put out by the company for those employees it considers will be redundant and for those employees who will no longer be able to remain. Once having made those commitments, those who have not been designated should not in any way be considered as being liable to be laid off as a result of the subsequent technological change. In no case should designated employees be let go before the implementation of the technological change, or before the effective date.

As is often mentioned in relation to workers and employees, training is absolutely essential. There have to be major provisions within the technological change language which ensures that those employees who will no longer be able to retain the jobs that they had will be retrained as a right, and if there are choices for jobs which they conceivably could exercise as a result of their seniority or skills, that they be able to exercise that choice on the basis of their own preference and where they would prefer to go. The whole matter of training is predicated on the assumption that it would be the employer that paid for the training.

There certainly are instances where employees are laid off as a result of technological change, and that has been the long-term experience of many thousands of employees in this fair country of ours. They should be able to exercise the option of taking severance in lieu of training or job guarantees. This is in the interest of the employee as well as the company, because there would be no point in the company forcing an employee to stay against his or her will. For one thing, the employee most likely would not be leaving unless he or she had found employment elsewhere. Who would want to deny them that opportunity? Within the provisions of severance there is also the matter of the employee being able to take a portion of the training allowance as severance pay.

Early retirement may also be a provision that some employees would want to exercise when it comes to the implementation of technological change. Certainly, that is something the legislation ought to take cognizance of. That would certainly be a step forward for some of the older workers within our society, and also in the context of having discussed the aids to older workers in the House within the last few weeks.

The committee itself is an integral part of the whole process. It would have to be involved in the review and resolution of such issues as the need or justification for technological change and the evaluation of the appropriate change. I would suggest that that is a wise thing to do. Often the employees on the floor are able to input knowledge into the operation which oftentimes the company itself has overlooked.

The committee would be involved in the matter of adaptation by all to the proposed changes and the impact on employees. In short, the committee would be involved in the whole process, but not to the point where it would have the final say on the resolution. There have to be realistic provisions for some type of a resolution when the company and the employees are unable to agree and the solution may possibly be that the technological change would not be implemented at all. It may also be that arbitration could be considered.

The matter of surveillance is a very important issue to address. Since my time is almost up, I would point out that as far back as 1972 the Government of Sweden enacted a law which prevented some of the most obvious surveillances. For example, the use of microtechnology to monitor workers and their actions, or as a matter of discipline.

In conclusion, I am sure reference will probably be made to the 10 employees within a company asking for those changes. Some people will say that is not a very large number of people, but I would suggest that there are many, many institutions within our society that can implement changes and initiate actions within our society and foundations with small numbers in relation to the whole.

• (1720)

I see that my time has lapsed. I would conclude on the basis that I do hope the House take serious consideration of the matter of technological change and its impact on Canadian workers.

Mr. Ken James (Parliamentary Secretary to Minister of Labour): Madam Speaker, the motion before the House proposes that Parliament should consider amending the Canada Labour Code in order to provide all regulated workers with the right to create, upon the demand of ten or more workers, a technological change committee. This committee would be entitled to advance notice of the technological change and to full information about the impact or proposed technological changes on employment, job content and work processes.

I welcome the opportunity to speak on the motion. Technological change and the process of adjustment to change are matters of great importance to Canadians as they affect the competitiveness of our industries and the people who work in them. These issues require careful consideration and I commend the Hon. Member for having introduced the motion.

Our economic performance in the world today is of vital importance to the employment and income prospects of Canadians. It will become increasingly so in view of our need to be competitive internationally. Good industrial relations will form an important part of and make a meaningful contribution to our economic performance. For that reason, we should have an appreciation of a number of significant elements of our industrial relations system as set out in Part I of the Canada Labour Code that are pertinent to the motion before us.

The regulated industries to which the motion refers encompasses a broad range of economic and industrial activities. These are the industries covered under the jurisdiction of the Canada Labour Code which include interprovincial and international railways, airlines, interprovincial highways, transport, telephone, telegraph and cable systems, pipelines, canals, ferries, tunnels and bridges, shipping, longshoring, broadcasting, banking and the primary fishing industry. Most crown corporations are also included and certain undertakings that have been declared by Parliament to be for the general advantage of Canada, including grain elevators, uranium mining and processing, and flour and feed mills.

In other words, the motion would affect a large number of industries that are interprovincial and international in character as well as being of consequence to the national economy and to our national well-being.

The motion suggests that we amend the Canada Labour Code. We should, therefore, briefly review the provisions of the Code, including what it attempts to achieve. According to the preamble to the Code, Parliament recognizes the long tradition in Canada of labour legislation and policy designed to promote the common well-being through the encouragement of free collective bargaining and the constructive settlement of disputes.

It is through its principal elements that the Code establishes collective bargaining as the means through which an efficient and equitable system of industrial relations is achieved.

What are some of the principal elements of our industrial relations system? Part I of the Canada Labour Code establishes a legislative framework of rights and responsibilities within which management and organized labour are to conduct their relations.

The Code grants a legal recognition to the bargaining relationship through the principle of freedom of association and through bargaining unit certification and voluntary recognition provisions. It provides for the settling or adjudication of industrial relations issues of a legal nature by establishing the Canada Labour Code Relations Board to oversee the administration of certain of the Code's provisions.

The Code also sets out the important dispute resolution procedures through conciliation and mediation which assist in the settlement of high profile disputes that have a direct impact on the public interest. These procedures are administered by the federal mediation and conciliation service of Labour Canada.

Investigation of disputes involves, first, collective agreements and complaints of bargaining-related unfair labour practices. These important elements of our industrial relations legislation contribute to a high degree of the stability and industrial relations in the federal jurisdiction.

At this point, I would like to make a few remarks about the technological change provisions in the Canada Labour Code. These provisions are not only germane to the motion brought forward by the Hon. Member, but also constitute an important element of industrial relation systems at this federal level.

The introduction of technological change can have a significant impact on individual workers in terms of income and employment effects. While the introduction of new technology may result in lay-offs and lost income, society as a whole benefits from having more productive and efficient economic assets in place.

Under the provisions of the Canada Labour Code, employee involvement in the implementation of technological change is accomplished primarily through collective bargaining. These provisions encourage unions and management to meet, discuss and reach agreement on ways to minimize the negative effects on employees of technological change. Where the parties have not made provision in their collective agreements for managing the effects of technological change on employees, then the statute provides for collective agreement in force between the parties to be reopened and those provisions relating to terms and conditions or security of employment to be renegotiated.

The board may also grant leave to a union to serve notice to commence collective bargaining. The effect of such leave is that the introduction of technological change is suspended until collective bargaining results in a new agreement or the right to strike or lock-out is required.

Labour and management are free to include in their collective agreements provisions designed to resolve and address issues related to the impact of technological change. There is nothing in the legislation to prevent the parties from establishing committees, as suggested by the motion, dealing specifically with technological change.

In general, the Code provides for measures that ensure the implementation of collective agreements and for the comprehensive and flexible system which facilitates negotiation of these agreements.

The Government has sought to encourage private sector initiatives to a much greater extent in the Canadian society and to urge less reliance on the Government in achieving economic and social goals. This approach to government policy places a greater responsibility on management and unions to resolve their differences without government interference. This is precisely the intention of the approach the Government has taken toward labour relations issues in Canada in its support for individual initiative.

In summary, my review of the industrial relations system at the federal level has attempted to illustrate some of the more salient features or relevance to the Hon. Member's motion. In particular, the large extent to which labour and management resolve their collective bargaining differences between themselves directly attests to the appropriateness of our industrial relations policy which seeks to avoid unnecessary intervention.

In this connection, we have to question the need for the introduction of the motion to amend the Code as proposed. We have to ask whether the intervention suggested by this amendment is warranted or justified. I submit that the Hon. Member has drawn our attention to an issue of continuing concern and a matter over which we will want to maintain a watchful eye as the introduction of technological change is an ongoing process with far reaching consequences.

At this present time, I see no evidence that would warrant an amendment to the technological change provisions of the Code.

• (1730)

Mr. George Proud (Hillsborough): Madam Speaker, it is a pleasure for me to rise today in support of the motion put forward by the Hon. Member for Saskatoon—Dundurn (Mr. Fisher). Specifically, the motion requests that the Government consider the advisability of amending the Canada Labour Code. The amendment would provide all regulated workers with the right to create, upon the demand of 10 or more workers, a technological change committee.

This committee would be entitled to receive advance notice of technological change and full information about the impact of proposed technological changes on their jobs, job content and work processes.

The Canadian workplace has been undergoing rapid changes in recent years. This trend will most certainly continue as a result of the Free Trade Agreement. Therefore, it is imperative that Canadian workers are aware of, and receive adequate notice of any technologi-

cal changes that could have an effect on their respective workplaces.

The Free Trade Agreement is certainly not the only reason that Canada is undergoing a structural change in the workplace. Indeed, there are many forces causing businesses in Canada to alter, as they strive toward recapturing markets and improving productivity. The world is in the midst of a technological evolution brought on by innovations in telecommunications and automation. Coupled with the globalization of markets and financial resources, companies must now learn to operate as they would in one huge, open market.

As a result, companies must adapt to the new global realities or they will fall behind others that do adapt. Technological changes in the workplace could thus have a myriad of effects on the Canadian worker, changes which, in many instances, have already occurred. Mainly, the displacement of particular skills by machines; the displacement of some skills by other skills; the development and expansion of some activities and the decline of others, to highlight a few.

Canadian workers are well aware of these developments and realize that they too must make changes. The point of this motion is that they be made aware of any proposed technological changes, as well as the impact of these changes so they can make the necessary adjustments in an adequate amount of time prior to their implementation. It is important to note that in the present Canada Labour Code, an employer must give a union at least 120 days notice of its intention to introduce a technological change into their place of business, a technological change that is likely to: "affect the terms and conditions or security of employment of a significant number of employees".

After a respective union receives such a notice which must include information such as the nature of the technological change, the predicted date of introduction, the estimated number and type of employees likely to be affected, the union may request more detailed information. The union may then apply to the Canada Labour Relations Board for an order that bargaining take place, and until that is completed, the changes may not take place.

The Hon. Member's motion today applies to adequate notification of technological change to a committee of workers in the workplace. If the workers have direct notification from the employer, they would be in a much better position to evaluate the effects on job retraining and so on so that they can prepare for a smoother and efficient transition. Also, the aforementioned section of the Canada Labour Code does not define what a "significant number of employees" means.

Technological change and the ensuring effect on employment is probably one of the most important concerns of Canadians today. Technological change in the past did not cause significant and persistent high levels of unemployment. Today, technological changes translate into changes in the demand for various occupational skills.

Canadian workers and labour unions are perceived as being against technological change. This perception is based on the notion that workers are worried about their personal welfare by maintaining their jobs and thus security.

I believe workers are well aware of the changes in the global workplace and thus realize that they must change with the times. Not to change would ultimately mean loss of security. What this motion points out is that workers want adequate notice of changes and not last minute notification. Four months notice through their respective unions is not what one would call adequate notice.

In my opinion, workers do not fear the changes in a workplace as much as they are concerned about the uncertainty of these changes. This uncertainty leaves Canadian workers with the feeling of having no influence in a workplace to which they may have dedicated many years of hard work. The older worker, for example, can be left with the feeling that he or she is being dumped for the sake of a more modern way of productivity. We are all well aware that over the past 10 to 15 years there has been a steady decline in labour force participation by older workers, particularly by men in the 50 to 64 age bracket.

When we talk about technological changes in the workplace, a very important variable comes to the forefront. That is education. On average, older workers possess fewer years of formal education than younger workers who are competing in the labour market. Characteristics that older workers possess, such as loyalty, conscientiousness and lower rates of turnover, are often

overlooked for the sake of what a new and technologically trained individual can offer.

Older workers are not against change, they just want adequate notice so as to afford the opportunity to retrain themselves and thus maintain their employment status with their respective employer.

In a study undertaken by the Labour Council of Metropolitan Toronto in 1986, financed by Canada's Technology Impact Research Fund, the council found a lack of corporate planning for the technological change process. The study states:

> Only 39 per cent (55 of 140 firms in the sample) report any corporate or strategic plan for the implementation of new technology. Thus, more than 60 per cent of the firms in the sample were ill prepared for the technological innovations that competition supposedly demands.

Other studies concluded that three quarters of employees surveyed were either in favour of technological change, or at least had no opinion against it.

This, I submit, would be because workers came to the realization that a smaller number of relatively secure jobs is better than having to barely survive in an industry that was declining because technological changes were not made.

National studies conducted by the Canadian Paper Workers Union and by the United Steelworkers of America concluded that there was no resistance to technological change. That would seem to be a non issue.

Labour is reasonably open to technological changes that will improve productivity. At the same time, there are some serious concerns about the process of technological change. What is of concern is how technology and the ensuing new work methods are introduced. Inherent in these concerns are three points: First, are the technological changes necessary; second, the minimization of workplace disruption both in terms of displacement of employees and the protection of individual rights and standards; third, the negotiation of compensation for those affected by the displacement of labour.

These are concerns that would be addressed with the establishment of a technological change committee in the workplace. It is important to point out to the House that in a 1985 survey taken by the Ontario Task Force on Employment and New Technology, it noted that consultation with labour on new technology is the exception rather than the rule. More direct and ongoing consultation is needed between the employer and employee.

I believe that the motion tabled in the House today would be a major step toward legitimizing both parties' interests. Thus, I support the motion. I see it as a major step between both the employer and the employee as we move rapidly toward an increasingly competitive global workplace.

Mr. Ross Belsher (Parliamentary Secretary to Minister of Transport): Madam Speaker, I want to thank the Hon. Member for Saskatoon—Dundurn (Mr. Fisher) for having the foresight to bring before the House the important issue of technological change and innovation.

Since taking office in 1984, this Government has made it clear that it had as a priority the promotion and development of technological innovation throughout Canadian society. We strongly believe that Canada's future prosperity largely depends on the country's ability to use technology to its advantage.

We are indeed committed to improve Canada's future international competitiveness through more effective technological application and innovation. We are convinced that workers too will benefit from increasing our competitiveness.

Let me point out that a series of important initiatives have flowed from this priority. It was translated into the creation of a Standing Committee of the House of Commons on Research, Science and Technology, to provide a continuing parliamentary focus on this vital area of national public policy.

• (1740)

As well, it led to the creation of a national advisory board on science and technology to enhance Canada's standing on the world market and a Department of Industry, Science and Technology with a mandate to work toward a closer integration of Canadian industry with Canadian scientific knowledge and technological skills.

In the last five years, this Government has consistently worked at developing a cohesive and coherent technological policy. In fact, the National Council of Science and Technology ministry was especially created to over-

see the implementation of a new national science and technology policy.

Many important programs were established to support this policy. Among the most successful is the InnovAction Program which has focused on such critical areas as: technological diffusion, development of strategic technologies, effective use of technologies, human resources for the use of technologies and public education in science and technology.

A particularly successful program is Labour Canada's Technology Impact Program, TIP, which was designed to study how to deal effectively with the adjustment problems arising from the introduction of workplace technologies. This program stems from this Government's awareness that to maximize the gains from any technological applications, there has to be a greater co-operative effort between those implicated in the change when implementing new workplace technologies. Studies such as those carried out by the Economic Council of Canada and the Canadian Chamber of Commerce Task Force on Harnessing Change have clearly supported our view that this partnership is critical to the effective use of new technologies.

Indeed, the Technology Impact Program was specifically created to provide labour organizations with the financial assistance to participate actively in the process of change. Projects carried out under TIP not only focused specifically on the human dimension of change but also involved the full participation of workers and their representatives in the process of change.

More important, all these projects demonstrated how vitally significant labour management co-operation could be to the effective use of technological innovation.

The funds have been used by labour organizations as well as other groups, such as women, disabled workers and older workers to ease their adjustment to the new technology and to explore creative utilizations which might improve the quality of their lives. These projects have ranged right across all sectors of the economy: The construction and auto industries, fishing, forestry, printing, textiles and clothing, health care, education and municipal and provincial Governments, to name just a few.

This Government has addressed the technological change and innovation issue through its series of national and regional conferences on technology and innovation. As recently as a few weeks ago, an important conference on the workplace technology, The Human Dimension, hosted by Labour Canada, attracted a large contingent of business and labour leaders who shared their technological change experiences and discussed ways of making the new technology work for Canada.

This successful event afforded all the participants the opportunity to review how management and labour have, and sometimes have not, succeeded in dealing with the issues that frequently accompany technological change in the workplace. The human dimension of such change was sharply kept in focus throughout the discussions. Among the human impacts of innovation considered were a broad array of human needs such as worker autonomy, meaningful work, ergonomics, health and safety issues, skill requirements and better communication between all those implicated in the change. Together, the participants also looked forward to future developments and to the new, unexplored challenges of implementation strategies which would promote a renewed labour management co-operation. The Canada Labour Code fosters labour management co-operation. The climate of trust that currently characterizes Canadian labour relations must not be undermined.

The Technology Impact Program and the recent conference on the Human dimension of Technological Change have greatly contributed to current knowledge and understanding of effective technological application and innovation in the Canadian workplace.

These initiatives underscore this Government's view that if technology is to be used to improve our well-being, both in the workplace and in Canadian society as a whole, it must be implemented in a humane way with the co-operation of those implicated in the change.

[*Translation*]

Mr. Fernand Jourdenais (La Prairie): Madam Speaker, Canadians live in a world of rapid change. We are affected by changes everywhere, in every aspect of our daily lives, and sometimes in very striking ways. The effects of change are probably felt most keenly in the workplace, since new developments in international trade and the changing nature of the labour force are obliging Canadians to adjust and to seek new ways of carrying out their tasks more successfully. Technological

change also has a considerable impact at work, and that is why I would like to thank Hon. Members for having brought this very important question to the attention of the House.

Madam Speaker, the Speech from the Throne, the labour force development strategy and the Budget reflect this Government's efforts to ensure that Canada will be able to cope with change and will take the necessary steps to do so. Madam Speaker, here is proof that Canada is forging ahead and that change can be made to work to our best advantage.

The five objectives set by the Government for its second mandate are to strengthen the economy, build a caring and compassionate society, protect the environment, foster values that make Canada unique and continue to promote national unity. Madam Speaker, these are the objectives we are resolved to pursue, confident in the resources of this country and with the conviction that any initiative to reduce the deficit can only further these goals.

Madam Speaker, faced with the challenges and opportunities arising from rapidly changing economic and social conditions, both in Canada and abroad, the Canadian Government believes it is even more important to take advantage of the knowledge and skills, expertise and co-operation of all Canadians. Madam Speaker, the Government is firmly resolved to build and support constructive partnerships in which unions, businesses and the Government will come together.

During the last four years, Madam Speaker, we have witnessed a spectacular change in the relationship between unions and employers in the workplace. We have seen a considerable reduction in the frequency of labour disputes and, also very important, we have seen a new and encouraging degree of co-operation away from the bargaining table. Madam Speaker, unions and employers are finding new and often innovative ways of working together to deal with common issues and concerns. There are new, joint initiatives and a co-operative approach to dealing with problems, and all of this is happening across Canada in various sectors of the economy.

The Government supports these efforts by unions and employers, especially at the sectoral level. In this respect, we have seen the development of a number of new and exciting initiatives by industrial unions to deal with the particular concerns of their activity sector.

The most widely known of these initiatives is perhaps the Canadian Steel Trade and Employment Congress, founded in May 1985 by the United Metal Workers of America and major steel producers. Madam Speaker, Labour Canada helped the union and the companies to set up this joint consultation and research body. The Congress has enabled steel workers and producers to deal jointly with the trade and employment issues affecting their sectors. One of their achievements, and in fact the most obvious one, has been the labour force adjustment program, designed specifically for the sector covered by the Congress with the help of a $20 million grant from Employment and Immigration Canada.

• (1750)

The Congress has also been active on the issue of steel imports, so much so that the Government introduced changes in favour of the industry, responding to its needs. In February 1987, the Congress saw the abolition of the general preferential tariff on steel imports from countries such as Korea, Taiwan and Brazil. Madam Speaker, this tariff was unnecessarily favourable to exports from these countries to Canada, despite the fact that they had become very competitive with our own producers. Later that year, a system for monitoring exports, considered by the industry as a way to control steel exports, especially the transshipment of steel to the U.S. market, was implemented.

In the electric and electronic products manufacturing sector, Labour Canada and Employment and Immigration helped a number of businesses and five unions to develop a human resources strategy for their sector. Together, unions and companies in this industry examined training and skills upgrading programs, including a plan for the joint financing of these activities, strategies for implementing technological change and measures to improve the transition between school and work for young graduates.

Such activities will help the electric and electronic products manufacturing industry plan better for, and adjust to the changes arising from increased competition and rapidly evolving technology. The industry will be in a position to train and retrain workers in order to provide

them with the skills they will need today and tomorrow. It will be able to introduce new technology effectively, with a minimum of disruption. It will also be able to recruit new young workers and thus provide for the future of the industry. The Unions and the companies will always work together.

Supported by the Government, Madam Speaker, the International Union of Wood workers of America and a number of producers from British Columbia formed the Western Wood Products Forum, in May 1988. This joint research and consultation organization is now looking into important issues such as market access, worker adjustment and the use of forest products. More specifically, the Forum decided that one of its major priorities was establishing a special agreement on plywood. An agreement of this kind would help companies improve a situation that is currently very precarious, and thus make them more competitive on world markets.

In recent months, Labour Canada has engaged in talks and worked to promote new sectoral initiatives with labour and management in a number of industries that are important to the Canadian economy.

The Canadian Steel Trade and Employment Congress, the Western Wood Products Forum and the joint human resources committee of the electrical and electronics manufacturing industry represent a small group of risky businesses, directed jointly by labour and management, that influence unions and employers throughout the country. They represent a trend to greater cooperation and teamwork to solve problems, showing the ability and determination of labour and management to work together, besides at the bargaining table, on questions and concerns of mutual interest.

Madam Speaker, the Government is determined to continue supporting labour and management, to encourage and facilitate dynamic partnerships between unions and employers. In this way, Canadians will be able to meet more effectively the social and economic challenges that we share.

Technological Change

[*English*]

Mrs. Louise Feltham (Wildrose): Madam Speaker, I wish to comment briefly on the motion before the House that the Canada Labour Code be amended to allow all federal jurisdiction workers the right, upon the demand of 10 or more workers, to create a technological change committee. It is envisaged that such technological change committees would be entitled to advance notice of technological change and full information about the impact of proposed technological changes on employment, job content and work processes.

Under the Canadian industrial relations system, adjustment to technological change in the federal jurisdiction is dealt with primarily through the collective bargaining process. To support this process, a number of legislative initiatives have been introduced over the years.

Equally important to the impact of railway run-throughs was the issue of the manner in which technological changes were being introduced by management. Recognizing the important labour-management issue involved, the Government of the day established an independent industrial inquiry commission to explore ways to better manage the introduction of technological change in the context of Canada's economic environment and free collective bargaining system.

The approach eventually adopted by Parliament after hearing from both labour and management involved the placement of requirements in the Canada Labour Code concerning advance notice and the negotiation of the effects of significant changes on employees. The negotiation process component under certain circumstances envisaged eventual access to conciliation procedure, and to strike or lock-out rights under the code.

The Canada Labour Relations Board was designated as the agency responsible for determining questions as to whether notice should have been given in a particular situation and as to whether or not a proposed technological change was of sufficient significance to warrant triggering negotiations during the term of an otherwise closed agreement.

Most important, the parties were encouraged to develop in advance of actual changes their own means of coping with technological change issues through specific

provisions in their collective agreements. If an employer failed to agree to contract provisions and procedures satisfactory to the union, then that employer would be vulnerable to having the collective agreement reopened if significant technological changes were introduced during its term.

These innovative changes introduced into the Canada Labour Code in 1982 had the specific intent of providing a period of notice of the intent to introduce a significant technological change and providing a mechanism for adjudication and redress in cases where notice had not been given. They were also meant to provide a means for reopening an otherwise fixed term and closed collective agreement, in cases where a technological change might adversely affect a significant number of employees. Finally, their intent was to encourage the parties in collective bargaining to adopt their own measures, in advance, to cope with technological changes and to offer exemptions from application of the technological change provisions when such measures were embodied in provisions of a collective agreement.

In essence, the approach, which was eventually adopted by Parliament in 1972, preserved the essentially stabilizing features of the fixed term closed collective agreement. However, it also provided an opportunity to bargain when the basis on which the agreement had been originally negotiated was fundamentally altered by the introduction of new technology.

The Acting Speaker (Mrs. Champagne): I must interrupt the Hon. Member. The time provided for the consideration of Private Member's Business has now expired. Pursuant to Standing Order 96(1), the Order is dropped from the Order Paper.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTED DAY, S.O. 81—ENVIRONMENT

The House resumed from Thursday, June 8, consideration of the motion of Ms. Hunter:

> That, in recognition of the importance of contributing to an environmentally sustainable future, it be an Order of the House that:
>
> (1) the Government introduce by September 30, 1989 an Act to require environmental assessment of major federal projects, programs and undertakings, such Act to provide for the appointment of an environmental officer of the House of Commons whose duties shall include the assessment of all practices of the House, and who shall be charged with the responsibility of reporting to the Speaker on ways in which the House can contribute to a safe and environmentally healthy future;
>
> (2) the Government table, within five sitting days of the first sitting day after June 30, 1989, its plans for the safe disposal of toxic wastes; and
>
> (3) the Government table by December 31, 1989 its plans to achieve minimal discharge of deleterious substances into Canadian fresh and coastal waters.

The Acting Speaker (Mrs. Champagne): It being six o'clock, pursuant to the order made on Thursday, June 8, 1989 and Standing Order 45(6), the House will now proceed to the deferred divisions on the business of supply.

Call in the Members.

• (1810)

[*English*]

Before the taking of the vote:

Mrs. Finestone: Madam Speaker, I just want to tell you how delightful it is to look toward the Chair and see the lovely feminine vista facing us.

Some Hon. Members: Hear, hear!

The House divided on the motion (Ms. Hunter), which was negatived on the following division:

(Division No. 28)

YEAS

Members

Allmand	Althouse
Arseneault	Assad
Axworthy (Winnipeg South Centre)	Barrett
Bélair	Bellemare
Benjamin	Berger
Bevilacqua	Blaikie
Blondin	Boudria
Caccia	Callbeck
Campbell (South West Nova)	Catterall
Clancy	Comuzzi
Crawford	de Jong
Dingwall	Duhamel
Ferguson	Finestone
Fisher	Flis
Fontana	Foster
Funk	Gaffney
Gardiner	Gauthier
Gray (Windsor West)	Grey (Beaver River)
Harb	Harvard
Harvey (Edmonton East)	Heap
Hopkins	Hovdebo
Hunter	Jordan
Kilger (Stormont—Dundas)	Langan (Mission—Coquitlam)
Langdon (Essex—Windsor)	Lee
MacAulay	MacDonald (Dartmouth)
MacLellan	Maheu

Manley
Marleau
Mifflin
Mills
Nault
Ouellet
Peterson
Prud'homme
Riis
Simmons
Speller
Stupich
Tobin
Wappel
Wood
Marchi
McGuire
Milliken
Murphy
Nystrom
Pagtakhan
Proud
Rideout
Robichaud
Skelly (North Island—Powell River)
Stewart
Taylor
Walker
Whittaker
Young (Gloucester)—82

NAYS

Members

Andre
Attewell
Bernier
Bjornson
Blenkarn
Bourgault
Brightwell
Campbell (Vancouver Centre)
Casey
Chartrand
Clark (Brandon—Souris)
Cole
Cook
Corbeil
Côté
Crosbie (St. John's West)
DeBlois
Della Noce
Dick
Domm
Duplessis
Fee
Ferland
Fretz
Gibeau
Greene
Gustafson
Harvey (Chicoutimi)
Holtmann
Horning
Jourdenais
Kindy
Landry
Layton
Loiselle
MacDonald (Rosedale)
MacKay
Marin
Masse
Mazankowski
McLean
Mitges
Moore
Oberle
Paproski
Plourde
Reid
Ricard
Robitaille
Schneider
Shields
Sobeski
Sparrow
Tardif
Thacker
Thorkelson
Valcourt
Vankoughnet
Vincent
Atkinson
Belsher
Bird
Blais
Bouchard (Roberval)
Boyer
Browes
Cardiff
Chadwick
Clark (Yellowhead)
Clifford
Collins
Cooper
Corbett
Couture
Crosby (Halifax West)
de Cotret
Desjardins
Dobbie
Dorin
Epp
Feltham
Fontaine
Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)
Guilbault
Halliday
Hawkes
Horner
James
Kempling
Koury
Langlois
Lewis
Lopez
MacDougall (Timiskaming)
Malone
Martin (Lincoln)
Mayer
McDermid
Merrithew
Monteith
Nicholson
O'Kurley
Plamondon
Porter
Reimer
Richardson
Roy-Arcelin
Scott (Victoria—Haliburton)
Siddon
Soetens
Stevenson
Tétreault
Thompson
Turner (Halton—Peel)
Van de Walle
Vien
Weiner
Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Winegard
Worthy—123

[*Translation*]

The Acting Speaker (Mrs. Champagne): I declare the motion defeated.

[*English*]

ALLOTTED DAY, S. O. 81—RAIL PASSENGER SERVICE

The House resumed from Friday, June 9, 1989, consideration of the motion of Mr. Tobin:

That this House condemns the Government for its short-sighted and punitive policies that are designed to eliminate passenger rail services in Canada despite the essential nature of these services to the development of communities in all regions of the country.

And on the amendment of Mr. Benjamin:

That the motion be amended by adding the following words:

"and that this House further condemn the Government for reneging on the commitment made by the Deputy Prime Minister, which reads in part, "every step necessary will be taken to ensure that VIA will operate in a safe and reliable fashion in offering good service to Canadians from coast to coast".

The Acting Speaker (Mrs. Champagne): The question is on the amendment.

Mr. Riis: On a point of order, I wonder if there could be unanimous consent to apply the last vote to the next two motions.

Mr. Benjamin: There might be some Tories who want to vote with it.

Miss Grey: Madam Speaker, I would like to have my name removed from the yeas on the previous vote. Had there been a recorded vote on this vote and amendment, I would have abstained.

Mr. Kindy: I would like to register my vote on the amendment as voting against the amendment and abstaining on the main motion.

The Acting Speaker (Mrs. Champagne): Apart from the Members who have advised the table of the changes in their votes, I take it that the House agrees to apply the division just taken to the next two questions.

Agreed?

Some Hon. Members: Agreed.

Mr. Benjamin: Madam Speaker, there is no such thing as abstentions in the House of Commons. Therefore, the two Hon. Members who just got up will be shown as absent.

The House divided on the amendment (Mr. Benjamin) which was negatived on the following division:

(Division No. 29)

YEAS

Members

Allmand
Arseneault
Axworthy (Winnipeg South Centre)
Bélair
Benjamin
Bevilacqua
Blondin
Caccia
Campbell (South West Nova)
Clancy
Crawford
Dingwall
Ferguson
Fisher
Fontana
Funk
Gardiner
Gray (Windsor West)
Harvard
Heap
Hovdebo
Jordan
Langan (Mission—Coquitlam)
Lee
MacDonald (Dartmouth)
Maheu
Marchi
McGuire
Milliken
Murphy
Nystrom
Pagtakhan
Proud
Rideout
Robichaud
Skelly (North Island—Powell River)
Stewart
Taylor
Walker
Whittaker
Young (Gloucester)—81

Althouse
Assad
Barrett
Bellemare
Berger
Blaikie
Boudria
Callbeck
Catterall
Comuzzi
de Jong
Duhamel
Finestone
Flis
Foster
Gaffney
Gauthier
Harb
Harvey (Edmonton East)
Hopkins
Hunter
Kilger (Stormont—Dundas)
Langdon (Essex—Windsor)
MacAulay
MacLellan
Manley
Marleau
Mifflin
Mills
Nault
Ouellet
Peterson
Prud'homme
Riis
Simmons
Speller
Stupich
Tobin
Wappel
Wood

NAYS

Members

Andre
Attewell
Bernier
Bjornson
Blenkarn
Bourgault
Brightwell
Campbell (Vancouver Centre)
Casey
Chartrand
Clark (Brandon—Souris)
Cole
Cook
Corbeil

Atkinson
Belsher
Bird
Blais
Bouchard (Roberval)
Boyer
Browes
Cardiff
Chadwick
Clark (Yellowhead)
Clifford
Collins
Cooper
Corbett

Côté
Crosbie (St. John's West)
DeBlois
Della Noce
Dick
Domm
Duplessis
Fee
Ferland
Fretz
Gibeau
Greene
Gustafson
Harvey (Chicoutimi)
Holtmann
Horning
Jourdenais
Kindy
Landry
Layton
Loiselle
MacDonald (Rosedale)
MacKay
Marin
Masse
Mazankowski
McLean
Mitges
Moore
Oberle
Paproski
Plourde
Reid
Ricard
Robitaille
Schneider
Shields
Sobeski
Sparrow
Tardif
Thacker
Thorkelson
Valcourt
Vankoughnet
Vincent
Wilbee
Assiniboia)
Winegard

Couture
Crosby (Halifax West)
de Cotret
Desjardins
Dobbie
Dorin
Epp
Feltham
Fontaine
Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)
Guilbault
Halliday
Hawkes
Horner
James
Kempling
Koury
Langlois
Lewis
Lopez
MacDougall (Timiskaming)
Malone
Martin (Lincoln)
Mayer
McDermid
Merrithew
Monteith
Nicholson
O'Kurley
Plamondon
Porter
Reimer
Richardson
Roy-Arcelin
Scott (Victoria—Haliburton)
Siddon
Soetens
Stevenson
Tétreault
Thompson
Turner (Halton—Peel)
Van de Walle
Vien
Weiner
Wilson (Swift Current—Maple Creek—
Wilson (Etobicoke Centre)
Worthy—123

The Acting Speaker (Mrs. Champagne): I declare the amendment lost.

The next question is on the main motion.

The House divided on the motion, which was negatived on the following division:

(Division No. 30)

YEAS

Members

Allmand
Arseneault
Axworthy (Winnipeg South Centre)
Bélair
Benjamin
Bevilacqua
Blondin
Caccia
Campbell (South West Nova)
Clancy
Crawford
Dingwall
Ferguson
Fisher
Fontana
Funk
Gardiner

Althouse
Assad
Barrett
Bellemare
Berger
Blaikie
Boudria
Callbeck
Catterall
Comuzzi
de Jong
Duhamel
Finestone
Flis
Foster
Gaffney
Gauthier

Gray (Windsor West)
Harvard
Heap
Hovdebo
Jordan
Langan (Mission—Coquitlam)
Lee
MacDonald (Dartmouth)
Maheu
Marchi
McGuire
Milliken
Murphy
Nystrom
Pagtakhan
Proud
Rideout
Robichaud
Skelly (North Island—Powell River)
Stewart
Taylor
Walker
Whittaker
Young (Gloucester)—81

Harb
Harvey (Edmonton East)
Hopkins
Hunter
Kilger (Stormont—Dundas)
Langdon (Essex—Windsor)
MacAulay
MacLellan
Manley
Marleau
Mifflin
Mills
Nault
Ouellet
Peterson
Prud'homme
Riis
Simmons
Speller
Stupich
Tobin
Wappel
Wood

NAYS

Members

Andre
Attewell
Bernier
Bjornson
Blenkarn
Bourgault
Brightwell
Campbell (Vancouver Centre)
Casey
Chartrand
Clark (Brandon—Souris)
Cole
Cook
Corbeil
Côté
Crosbie (St. John's West)
DeBlois
Della Noce
Dick
Domm
Duplessis
Fee
Ferland
Fretz
Gibeau

Atkinson
Belsher
Bird
Blais
Bouchard (Roberval)
Boyer
Browes
Cardiff
Chadwick
Clark (Yellowhead)
Clifford
Collins
Cooper
Corbett
Couture
Crosby (Halifax West)
de Cotret
Desjardins
Dobbie
Dorin
Epp
Feltham
Fontaine
Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)

Greene
Gustafson
Harvey (Chicoutimi)
Holtmann
Horning
Jourdenais
Koury
Langlois
Lewis
Lopez
MacDougall (Timiskaming)
Malone
Martin (Lincoln)
Mayer
McDermid
Merrithew
Monteith
Nicholson
O'Kurley
Plamondon
Porter
Reimer
Richardson
Roy-Arcelin
Scott (Victoria—Haliburton)
Siddon
Soetens
Stevenson
Tétreault
Thompson
Turner (Halton—Peel)
Van de Walle
Vien
Weiner
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Worthy—122

Guilbault
Halliday
Hawkes
Horner
James
Kempling
Landry
Layton
Loiselle
MacDonald (Rosedale)
MacKay
Marin
Masse
Mazankowski
McLean
Mitges
Moore
Oberle
Paproski
Plourde
Reid
Ricard
Robitaille
Schneider
Shields
Sobeski
Sparrow
Tardif
Thacker
Thorkelson
Valcourt
Vankoughnet
Vincent
Wilbee
Winegard

The Acting Speaker (Mrs. Champagne): I declare the motion lost.

[*Translation*]

It being 6.32 p.m., the House stands adjourned until 11 a.m. tomorrow, pursuant to Standing Order 24(1).

The House adjourned at 6.32 p.m.

HOUSE OF COMMONS

Tuesday, June 13, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

INDUSTRY, SCIENCE AND TECHNOLOGY

PRESENTATION OF REPORT OF LEGISLATIVE COMMITTEE

Mr. Girve Fretz (Erie): Mr. Speaker, I have the honour to present the report of the legislative committee on Bill C-3, an Act to establish the Department of Industry, Science and Technology, to repeal the Department of Regional Industrial Expansion Act and to make consequential amendments to other Acts.

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

* * *

HOUSE OF COMMONS

MOTION TO EXTEND HOURS OF SITTING

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, there have been discussions among the Parties and I think you will find that there is unanimous consent to my putting immediately, without debate, the motion which is on page 4 of the Notice Paper in my name, with respect to extended hours.

• (1110)

Before putting the motion, I would like to point out that the motion provides for the allotted day vote that would normally be taken at 5.45 on Thursday of this week to be taken on Monday, June 19, 1989 at 6 p.m. If the vote were taken at 6 p.m. it would encroach upon private Members' hour. It would be our intention that once the vote is over on Monday, June 19, that there will be a full private Members' hour allotted commencing at the time that Private Members' Business is called directly after the vote. Therefore, there is no intention to encroach upon Private Members' Business and that full hour would apply.

Therefore, as listed in today's Order Paper, I move:

That, further to the Orders of the House adopted on May 3 and 23, 1989, the hours of sitting and business of the House, commencing on June 16 up to and including June 30, 1989, shall be as follows:

(1) Friday, June 16th and 30th

10 a.m. to 3.00 p.m.—Private Members' Business from 2.00 p.m. to 3.00 p.m.

(2) Monday, June 19th and 26th

11 a.m. to 1.00 p.m. and 2.00 p.m. to 10.00 p.m.—Private Members' Business from 6 p.m. to 7 p.m.—Standing Order 38 proceedings from 10.00 p.m. to 10.30 p.m.

(3) Tuesday, June 20th

11.00 a.m. to 1.00 p.m. and 2.00 p.m. to 10.00 p.m.—Private Members' Business from 6.00 p.m. to 7.00 p.m.—Standing Order 38 proceedings from 10 p.m. to 10.30 p.m.

(4) Tuesday, June 27th

2.00 p.m. to 10.00 p.m.—Private Members' Business from 6.00 p.m. to 7.00 p.m.—Standing Order 38 proceedings from 10.00 p.m. to 10.30 p.m.

(5) Wednesday, June 21st and 28th

2.00 p.m. to 10.00 p.m.

(6) Thursday, June 22nd

11.00 a.m. to 1.00 p.m. and 2.00 p.m. to 6.00 p.m.—no Private Members' Business—no Proceedings under Standing Order 38

(7) Thursday, June 29th

11.00 a.m. to 1.00 p.m. and 2.00 p.m. to 10.00 p.m.—Private Members' Business from 6.00 p.m. to 7.00 p.m.—Standing Order 38 proceedings from 10.00 p.m. to 10.30 p.m.

That, Thursday, June 15, 1989, shall be an allotted day and any division demanded on the opposition motion, on that day, shall be deferred until 6.00 p.m. on Monday, June 19, 1989; and

That, following the adoption of this motion, no motion pursuant to the provisions of Standing Order 27(1) shall be receivable.

Mr. Speaker: The Hon. Member for Ottawa—Vanier.

Mr. Gauthier: Indeed, there have been negotiations. I have read the notice of motion and it is in conformity with the agreed time schedule.

I would like to ask one small question: Can I get the undertaking of the Government that, when the House sits until 10 p.m., it will not use Standing Order 26(1) which allows for a Member to stand in his or her place and extend the hours past the normal adjournment hour? In other words, on those days when the House sits until 10 p.m. will the Government give the House its undertaking that it will not use Standing Order 26(1)?

Mr. Lewis: Certainly, in return for an undertaking from the opposition Parties that there will be no dilatory motions on those days.

Mr. Speaker: There seems to be some kind of conditional agreement here. Perhaps I will hear the Hon. Member for Kamloops.

Mr. Riis: The reaction of the Government is appropriate that, assuming on a certain day there are no dilatory motions or any dilatory activity whatsoever in terms of frustrating the Government, there will be an undertaking that there will not be an extension of hours on the debate. That is a reasonable exchange.

Perhaps I will use this opportunity to state that of the legislation we are aware of and which the Government has brought to our attention in terms of its interest in pursuing, there are a number of Bills that concern us greatly.

I am afraid the Bill amending the Unemployment Insurance Act will not receive much co-operation at all from members of the New Democratic Party, and also the plant breeders' rights legislation. I think it is only fair to indicate to the Government House Leader that on those two pieces of legislation particularly, we in the New Democratic Party do not plan to co-operate in terms of facilitating passage of that legislation. We think that the legislation is bad. We think that the legislation is inappropriate. We do not plan to facilitate its passage in any way, shape or form.

Mr. Lewis: Without giving the undertaking my friend asked for, there is a spirit to co-operate and get the business done. The motion is before the House and we should move to vote immediately.

Mr. Speaker: The House has heard the subject matter of the motion. Does the Hon. Government House Leader have the unanimous consent of the House to move the motion?

Some Hon. Members: Agreed.

[*Translation*]

Mr. Speaker: Is it the pleasure of the House to adopt this motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

[*English*]

PETITIONS

CLOSING OF CFB LONDON

Mr. Joe Fontana (London East): Madam Speaker, it is a privilege to rise in the House and present a petition on behalf of thousands of Londoners and people from the area. The petitioners are asking the Government to rescind its callous action in closing CFB London.

I hope that the Government has not become so cynical and arrogant that it can disregard the thousands of voices that are calling upon it to change its direction with respect to closing CFB London.

PROPOSED MINE AT SHOAL LAKE

Mr. John Harvard (Winnipeg—St. James): Madam Speaker, pursuant to Standing Order 36, I have the honour to table a petition, having been certified correct as to form and content by the Clerk of Petitions. The petition is signed by some 250 residents of the city of Winnipeg. The petitioners express concern over the proposed development of a major mining operation at Shoal Lake, the source of Winnipeg's drinking water.

The petitioners ask that all possible measures be taken to prevent environmental damage to the city's valuable water resource. As a result, the petitioners ask for a complete federal environmental impact assessment of the proposed mine at Shoal Lake prior to the commencement of any mining operations.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Madam Speaker, the following questions will be answered today: Nos. 66 and 96.

[*Text*]

STATISTICS ON SENIORS IN KINGSTON AND THE ISLANDS

Question No. 66—**Mr. Milliken:**

Does the government keep statistics on seniors living in the constituency of Kingston and the Islands and, if so (a) what number of them are there (b) what is their average (i) age (ii) income (c) what percentage (i) are married (ii) are single (iii) own their own homes (iv) are renters?

Mr. Benoît Tremblay (Parliamentary Secretary to Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Statistics Canada reports:

The 1986 Census of Population collected data on seniors living in the constituency of Kingston and the Islands. The following data are from the census results for the population aged 65 years and over.

a)		Total number	11,325
b)	i)	average age	74 years
	ii)	average individual income in 1985	$16,467
c)	i)	percentage married	53.1%
	ii)	percentage single (never married)	8.2%
		percentage widowed	34.7%
		percentage separated or divorced	4.0%
	iii)	percentage living in home owned by member of household	65.0%
	iv)	percentage living in rented homes	35.0%

Note: The data in Items b (ii), c (iii) and c (iv) are not available for seniors living in homes for the elderly, hospitals or other types of institutions.

QUESTIONS ON THE ORDER PAPER

Question No. 96—:Mr. Riis:

Since January 1, 1988, for each government department, what number of person-hours have been spent in the preparation of answers to questions on the *Order Paper*?

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): The time required to prepare answers to questions on the Order Paper forms part of the regular duties of those concerned and as such is not recorded separately.

[*English*]

STARRED QUESTION

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Madam Speaker, we will be correcting the answer to previously answered Starred Question No. 22.

[*Text*]

DELIVERY OF IMMIGRATION PROGRAM

*Question No. 22—**Mr. Riis:**

Does the government maintain consular services which accept or process immigration applications in (a) the United Kingdom (b) France (c) Italy (d) Germany (e) Pakistan (f) Bangladesh (g) India (h) Central America (i) South America and, if so, in what locations?

Hon. Barbara McDougall (Minister of Employment and Immigration): The government maintains consular services which accept or process immigration applications in:

(a)	The United Kingdom	Immigration Processing Post in London
(b)	France	Immigration Processing Post in Paris
(c)	Italy	Immigration Processing Post in Rome
(d)	Germany	Immigration Processing Post in Bonn
(e)	Pakistan	Immigration Processing Post in Islamabad
(f)	Bangladesh	Services are provided at the Canadian consulate in Dacca, according to demand, on an itinerant service basis by an officer stationed in New Delhi, India
(g)	India	Immigration Processing Post in New Delhi
(h)	Central America	
	Belize	Services are provided in Belize City according to demand, on an itinerant service basis, by an officer stationed in Kingston, Jamaica
	Costa Rica	Immigration Processing Post in San José
	El Salvador	Services are provided at the offices of the International Committee for Migration in San Salvador, according to demand, on an itinerant service basis, by an officer stationed in San José, Costa Rica
	Guatemala	Immigration Processing Post in Guatemala City
	Honduras	Services are provided in Tegucigalpa according to demand, on an itinerant service basis, by an officer stationed in San José, Costa Rica
	Nicaragua	Services are provided in Managua, according to demand, on an itinerant service basis, by an officer stationed in San José, Costa Rica
	Panama	Services are provided in Panama City according to demand, on an itinerant service basis, by an officer stationed in san José, Costa Rica
(i)	South America	
	Argentina	Immigration processing post in Buenos Aires
	Bolivia	Services are provided in Le Paz according to demand, on an itinerant service basis, by an officer stationed in Lima, Peru
	Brazil	Immigration processing post in Sao Paulo
	Chile	Immigration processing post in Santiago
	Colombia	Immigration processing post in Bogata

Ecuador	Services are provided in Quito and Guayaquil according to demand, on an itinerant service basis, by an officer stationed in Bogata, Columbia
French Guyana	Services are provided in Cayun according to demand, on an itinerant service basis, by an officer stationed in Port-au-Prince, Haiti
Guyana	Immigration processing post in Georgetown
Paraguay	Services are provided in Asuncion according to demand, on an itinerant service basis, by an officer stationed in Santiago, Chile
Peru	Immigration processing post in Lima
Suriname	Services are provided in Paramaribo according to demand, on an itinerant service basis, by an officer stationed in Georgetown, Guyana
Uruguay	Services are provided in Montevideo according to demand, on an itinerant service basis, by an officer stationed in Buenos Aires, Argentina
Venezuela	Immigration processing post in Caracas

[*English*]

Mr. Cooper: I ask that the remaining questions be allowed to stand.

The Acting Speaker (Mrs. Champagne): The questions as enumerated by the Parliamentary Secretary have been answered.

[*Translation*]

Shall the remaining questions stand?

Some Hon. Members: Agreed.

* * *

[*English*]

POINT OF ORDER

COMMENTS OF MEMBER FOR BEAVER RIVER

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Madam Speaker, I have a brief point of order arising from yesterday's *Debates*. At page 2939 of *Hansard*, the Hon. Member for Beaver River (Miss Grey) stated:

> Madam Speaker, I would like to have my name removed from the yeas on the previous vote.

When I look at the recorded votes, her vote continues to be in the "yea" column. I ask that the Table examine that and advise us as to whether or not her name could have been removed from the roll at that point, because obviously the Member had made a mistake in her voting and attempted to have it corrected later.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Ottawa—Vanier.

Mr. Gauthier: I was in the House at the time and I understood it differently. I thought the Hon. Member for Beaver River wanted her vote on the subsequent vote to be negatived, but the vote to stand on the previous vote. There is a word in here that perhaps should be modified. The Parliamentary Secretary is pointing out to the House that indeed she did not want to remove the "yea" vote on the previous vote. She wanted that to stand. However, she wanted the next vote to be negatived, as far as she was concerned, and abstain.

Mr. Cooper: I had the same concerns when I heard it last night, although when I read *Hansard* today it seems very specific that she was not indicating that she did not want to vote on the votes that followed, but she did want a change made to the manner in which she had voted on the first vote. Perhaps we could have some clarification on this matter.

The Acting Speaker (Mrs. Champagne): I will reserve on that matter, and after discussion with the Table Officers there will be some clarification sought. If a correction is needed, it will be done.

GOVERNMENT ORDERS

• (1120)

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—POST-SECONDARY EDUCATION

Mr. Ronald J. Duhamel (St. Boniface) moves:

> That this House call upon the Government to take steps to enhance the federal commitment to the support of post-secondary education, scientific and technological development, job training and re-training and the battle against illiteracy, all of which provide the essential foundation for building a strong and competitive future for Canada.

He said: Madam Speaker, I rise in the House today to address, I believe, one of the most critical questions to be presented in this Chamber of late. I am delighted to be able to do so with able colleagues from all sides of the House.

I believe that education is absolutely essential to the growth of our nation. It is particularly important for the development of insightful cultural policies, meaningful social policies and effective economic development policies. Most great nations of the world see education as the critical cornerstone of its cultural, social and economic development, and its main tool to remain competitive, a leader of nations.

There are a number of important Canadians who have made very significant statements about the importance of education. I should like to share a few of their comments with the House.

A. W. Johnson of the Department of the Secretary of State in 1985 said:

> It is a mark of the maturity and the state of advancement of Canada that it has long been taken for granted that an educated society is a richer society—socially, economically and culturally. And it is a measure of the state of development of our nation that we have given expression to this belief, this ethos, by making almost universally available to all who want and can benefit from them diverse forms and programs of post-secondary education and training.

Donald Savage in *The Toronto Star* in 1986 said:

> —if we are to progress economically as a nation, we will need more, not fewer, university graduates in science, engineering and business management. If we are to survive in a competitive and frequently hostile world, we will have to know the cultures, history, politics and languages of our friends, our competitors, and our enemies. If we are to make any mark in the history of the world, all this effort must be suffused with the ideals of our civilization, its history, its philosophy and its literature.

Just recently Mr. de Grandpré in his report made the following comments:

> On an urgent basis, the first Ministers find the appropriate vehicle to review the education/training systems in Canada in order to increase the responsiveness to the requirements of rapidly changing international and domestic economies. Such a vehicle should involve participation by both business and labour, and might take the form of a federal-provincial royal commission on education/training.

I believe that education must lay the groundwork for a flexible and adaptable workforce and also provide Canadians with the tools we need to grow personally and professionally. It is important that our education systems facilitate the matching of labour force demands and supply, but we must not overlook the need to have an informed citizenry which can participate meaningfully in the Canadian political process.

It is education which will allow new immigrants to participate fully in Canadian life. It is education which will allow our aboriginal people the opportunity to overcome barriers to their full participation in Canada and give them the ability to attain self-government. It is education on which we will rely to produce tolerance of others in Canada and to respect equality rights of minorities, women and other disadvantaged groups. Attitudes formed in part by our education system will create the Canada of the next century, unified or divided, economically vigorous or regressive, tolerant or intolerant.

The Canadian Labour Market and Productivity Centre, as quoted by Jeffrey Simpson in *The Globe and Mail* on May 30 had this to say:

> Colleges and universities are experiencing higher student-teacher ratios, deteriorating physical plant, and aging laboratory equipment.

Hyman Solomon in *The Financial Post* on June 12, 1989 said the following:

> Chronic shortages and mismatching in many skilled trades is getting worse, not better. And apprenticeship programs are fraught with high drop-out rates and have few women participants.

Many Hon. Members will recall John Polyani citing the lack of opportunity for Canadian scientists. More recently the head of the Science Council of Canada, Geraldine Kenney-Wallace, said:

> Canada is very much behind; that this will eventually have a definite economic impact—while the rest of the world is getting its act together, Canadians are still arguing over whether they should commission a script.

That is what the chairman of the Science Council of Canada had to say. She went on:

> I think the consequences, quite frankly, down the line are in the pocketbooks of Canadians. In other words, there is going to be a drastic drop in the standard of living. We are already living on credit now—It's a good idea that counts in the first place. A good idea is the hardest currency of all.

A colleague of mine in addressing the problem of literacy stated:

> Because Canada has almost 5 million people who could profit by improving their literacy skills, much of their potential will never be realized unless all levels of government mount a massive campaign of assistance.

There have been valiant efforts in a number of places, but much more needs to be done for this important

group of Canadians. I want to remind Hon. Members of some of the promises made by the Government.

[*Translation*]

In 1984, the Conservatives were, and I quote:

> Resolved to double the Budget for research and development in Canada by raising it to 2.5 of GNP—

—and they felt that—

> The federal Government should negotiate long term, five-year funding agreements with councils that dispense research grants.

The Conservative Party stated: "We are resolved to maintain the federal Government's present financial commitment according to the formula established in the 1977 agreement— We believe that the financing of post-secondary education is a major priority for both levels of government".

[*English*]

Putting it gently, there has been a massive retreat by the federal Government from the post-secondary sector and those areas of education in which it has been involved. It changed the formula for the transfer of funds in 1985 by reducing the transfer by 2 per cent. There was another reduction in the most recent Budget of 1 per cent. If one looks at those two cuts that have occurred over a nine-year period, because the others will have been in place for a period of time, there is a reduction of transfers for health and education of almost $24 billion and approximately $8 billion of that was to go to post-secondary education.

What are the results of that kind of reduction? Clearly there are few choices of course. Some people will say, and I believe there is some merit in that particular statement, that we have not heard an outcry from individual institutions. When one looks at Canada with its over 250 post-secondary institutions, it is very difficult to find out exactly what is being cut where.

What are some of the other results? There has been a massive increase in tuition fees across the country with the exception of Quebec. If you doubt me, talk to the student associations in the various provinces, within colleges and universities. There has been a mounting student debt. That has been acknowledged by government as well. There has been a continued deterioration of plant and equipment.

I must emphasize that this is one of the major problems we are facing in post-secondary education today. There is simply not enough money available to ensure that the plants are kept up-to-date or enough money to ensure that the equipment we require in order to remain competitive is in fact in place.

Let us look at training and retraining. There was an initial cut of $700 million. Now there is an infusion of $800 million. When we look at the $800 million, it is quite impressive. However, we have to look at it within the total context. Once the $700 million is taken away, $800 million added, and adjust for inflation, there is not a significant increase. It has been further compounded by a siphoning off of some of those funds to the private sector where there is the purchase of places going on during the last few years. This has in fact removed some important funding from our colleges and universities. In fact, that is contributing as well to the deterioration of plant and equipment and has made fewer dollars available for those activities that colleges and universities would normally pursue.

• (1130)

What are the results of cuts in training and retraining? Many people are asking some very serious questions about the private sector initiatives. Are these private sector courses equal in quality to what is found in the community colleges and universities? Are the controls in place? Is someone examining the curricula being produced, and is it being evaluated?

While some good work has obviously been done, at the same time I suggest that it would merit significant attention and an in-depth review to see whether or not this siphoning off has been in the interest of all Canadians. Some of the other results of the cut-backs in training and retraining are waiting lists of up to two years and longer.

Older workers are being victimized. Recently I talked to an older worker, 58 years old, who needed retraining. He was told that he would have to wait two years, but he had hoped to be able to retire at age 60. There is not much hope. I have a particular soft spot for older workers who have contributed so much to this nation. A number of causes, including the Canada-U.S. Agreement, globalization, and what will happen in Europe in 1990-1992, are having an impact on Canadian workers in all parts of the country.

Quite apart from the massive impact of the recent Budget, people are being put out of work and need retraining. We must be exceptionally sensitive to that need, especially toward those who are older.

One particularly significant effect of all these reductions is what I call the real hidden tax. There is almost $24 billion less being transferred to the provinces for health and education. There is a reduction in training and retraining, as well as in other areas. Very often, the responsibility for these shortfalls are turned over to the provinces and, depending upon the wealth of the province, they can either absorb them totally, absorb part of them, or not absorb any of those cuts.

When the province cannot absorb such a cost, it is passed on to the client who in this particular case is the student. This is one of the reasons why tuition fees are rising dramatically in virtually all parts of Canada. The cost is passed on to the province, which is then passed on to the student. When the cost is passed on to the poorer provinces and territories which are not as well off, very often the poorer students must pay a greater share. That is most unfortunate.

Let us examine research and development and the Government's commitment toward this area. As I indicated previously, the Government made a commitment to increase the contribution to 2.5 per cent of GNP. However, it is barely 1.4 per cent, about half of what is being spent in the United States, Sweden, and Japan. There are fewer scientists than in most of those nations.

We are losing our competitive edge. That is not only my statement; it is the opinion of the head of the Economic Council of Canada who made that statement a short time ago. The level field that would be provided by additional education in our universities and community colleges with additional research and development is getting bumpy, perhaps even mountainous. How can we possibly compete on an even footing with the United States if we will be spending significantly less on those very programs that would make us equal or better?

What are some of the other opportunities that are lost because of this lack of funding for research and development? There are fewer opportunities for good jobs for our youth. I believe all Parties are interested in the creation of jobs, but let us add another dimension, that is, the creation of good long-term jobs which will challenge the people of our nation and challenge our youth to go forward and produce more, to obtain jobs that will make them feel good about being Canadian by providing some insight and a contribution toward our cultural, social and economic development policies.

I suggest that this is one area where we can make some very substantial investment and reap some significant benefits for the people of Canada, particularly the young people in our colleges and universities.

Let us examine student assistance. The cost of living criteria have not been changed since 1984. The total amount of funds available have been frozen. Everyone acknowledges that the part-time assistance program is a disaster. There are two statistics about it, not one of which is better than the other. Less than 1 per cent of the people are using that program. There is a mounting debt load for students and rapidly increasing costs to students and parents. There is a climate of uncertainty because of the fear of accumulating debt and being unable to repay it.

There is a great opportunity for Canada to produce new highly qualified people who could become the professors of the next decade. We will need many new professors because it is a group in our society that is ageing. There is no large pool to replace them anywhere in the world. What better investment than to ensure that our young people are trained so they can assume those responsibilities in our universities?

Almost five million Canadians require assistance in literacy. While there has been a commitment of $110 million over five years, that represents about $4.50 per student per year. There will be little change, if any. The potential of almost five million Canadians, which is the size of a number of countries in this world, will probably not be realized.

Let us look at some of the other reductions. We do not know what the impact will be on education of our aboriginal people, on women's programs, on multiculturalism or on official languages.

[*Translation*]

Madam Speaker, I just quoted a number of reliable authorities that have pointed to a major retreat by the federal Government from the education sector. Transfer payments for education alone are expected to be cut by about $8 billion. Training and skills upgrading: there were cutbacks totalling $700 million, and they added

$800 million. However, if we adjust this amount in terms of inflation, there has been a considerable reduction.

Furthermore, some of these funds have been switched around and transferred elsewhere in the private sector.

As for research and development, we provide only half the funding provided by the United States, Japan and Sweden. We have fewer researchers than many of these countries, although this would be a magnificent opportunity to enable young Canadians to explore new directions!

Financial assistance to students: the total amount is frozen. There have been no cost-of-living adjustments since 1984. As far as programs for part-time students are concerned, they are a total failure and all sectors admit as much.

Regarding literacy training, the Government has committed $110 million over five years. This is about $4.50 per student per year. And when we look at those $110 million, we must realize that we are talking about 5 million people. I realize the federal Government is doing this together with the provincial governments but, as I said earlier, we must invest a lot more in this area.

There have been other cutbacks affecting multiculturalism, programs for Native people, women and official languages. What kind of impact will these cutbacks have on education programs?

I did not mention the fact that the program of instruction for new Canadians, with the books they were given to get acquainted with Canada, has been dropped.

Madam Speaker, I want to ask the federal Government to rethink its priorities in education, not only for the sake of our youth and other Canadians who want to study and get a better education, but for the wellbeing of this country. If we want to enhance our quality of life and that of other countries, if we want to improve our economy and our competitive position, education must be the cornerstone of a comprehensive policy affecting our cultural, social and economic sectors.

• (1140)

The Acting Speaker (Mrs. Champagne): Questions and comments. The Hon. Minister of State for Youth (Mr. Charest).

Mr. Charest: Questions and comments, Madam Speaker! First of all, let me congratulate the Hon. Member for St. Boniface (Mr. Duhamel) for his speech. I think that he raised some very important points and I can assure you that as Minister of State for Youth, a Member of this House and a member of the Government, I too am very concerned about post-secondary education and everything to do with training, including employment programs.

I can tell Members of this House in complete sincerity, Madam Speaker, that the Government is particularly concerned about the very high drop-out rate of secondary school students in Canada now. The Hon. Member for St. Boniface did not refer to it, but Canada has a drop-out rate of around 30 per cent. That is a five-year average, but you must understand that it is not easy to have a very precise figure. I think there is agreement in Canada that the rate is about 30 per cent. That is a very high rate, higher than in most of the industrialized countries with which we compete. And that phenomenon disturbs us. It is a disturbing phenomenon, especially for a country that talks about free trade, a country that— And I am from Québec, you know, Madam Speaker, and in Québec there is a lot of talk about entrepreneurship, people talk about it and have clear ambitions, except that at some point we will have to think seriously about our country's ability to develop skilled labour to be able to meet these new challenges and manage the new technologies. It seems to me that this in any case is a very important challenge for our country, Madam Speaker, probably much more important than most people now suspect.

There is work to do. I can tell you that I intend to talk about it a lot because there is also an important social problem. You know, we tend to look at employment and training from an economic point of view, but the social significance of employment is not sufficiently recognized in our society. And in our society, working is how we participate in it. We forget, but that is the social contract

here in Canada. Implicitly, you participate fully and totally in Canadian society when you work. The definition of employment itself is changing as well, but it is still based on work.

This means that our systems will have to be harmonized more, in any case, to be able to play this role and reach this objective.

Madam Speaker, I want to thank the Opposition Members for their great patience. We feel that they are eager to hear me. They want to listen with interest to what I have to say this morning, but I was rather intrigued by my colleague's remarks for the following reason. He said a lot about the problems that they feel, that they seem to see and have identified, but I am always a little puzzled when Opposition Members speak to us in the House, because it is extremely rare for them to tell us what they would do instead. You see, that is the problem!

I enjoy being a member of the Government and proposing things, you know, but I would like to know, when a government has to make choices, what they on the other side—the Liberals and New Democrats—would do instead! You will note that in his speech, he did not talk at all about what the federal Liberals would do instead. My God, what a puzzle! He gets elected to the House of Commons, pretends to be able to govern the country, comes to the beginning of a mandate, criticizes the Government, makes a long speech and is completely unable to tell us what they would do instead! I want to know, Madam Speaker, because the federal Government—our Government—has increased the budget for post-secondary education and health care, under one agreement, from $15 billion in the 1984-85 fiscal year to more than $20 billion for the 1990-91 fiscal year.

Madam Speaker, I have a feeling that the Liberals want to take the floor away from me!

The Acting Speaker (Mrs. Champagne): The Hon. Member for Notre-Dame-de-Grâce (Mr. Allmand) on a point of order.

[*English*]

Mr. Allmand: I rise on a point of order, Madam Speaker. I am not quite clear on the following. Has the Minister taken the floor on a speech in this debate, or is it supposed to be a question or comment?

If it is a question or comment. I would ask for your intervention and direction because, according to the rules, questions and comments are supposed to be brief and to the point and to allow a response from the person who has just spoken. I suggest, Madam Speaker, that the comments just made by the Minister go much beyond the rule on this matter.

The Acting Speaker (Mrs. Champagne): There is one point which I would like to make for some Hon. Members who seem to think that when a Member rises on the question and comment period he or she must ask a question. I think the Hon. Member is of course incorrect; the Hon. Member can make a comment.

I think the Hon. Minister does know that he has taken a lot of the 10-minute period, considering that quite a few other Members had risen in the hope of asking questions. The Hon. Member was finishing with a question. I will allow him to finish his question very quickly, to allow the Hon. Member for St. Boniface time to answer and maybe to get some other questions from the floor. The Hon. Minister.

Mr. Harvard: I rise on a point of order. Madam Speaker, the time for this exchange which has been quite unnecessarily and brought on by the Hon. Minister, is that going to be taken from this round of 10 minutes?

The Acting Speaker (Mrs. Champagne): I think the Hon. Member will allow the Chair to use her judgment on that. The Hon. Minister.

[*Translation*]

Mr. Charest: First of all, Madam Speaker, with all due respect, and I realize that there is a lot going on in the House at once, I can assure you that when I rose in the House, there were no other Members on their feet. So with all due respect, I did not have the impression I was jumping the queue, and I can only regret, and fortunately there are witnesses in the House today to see this—

[*English*]

I can only regret that the Liberal Opposition would try to cut off Members on this side from saying anything, because it does not want to hear what we have to say. That is what the point of order is about.

Since the Hon. Member for St. Boniface in his opening speech on an opposition day brought forward by them on such critical issues as post-secondary education, illiteracy, training, and re-training, and in the name of the Liberal Party of Canada, had absolutely nothing, zero per cent, to say about what they would do if they were the Government, could he please give us an indication,

just a little idea of what little thoughts they may have on these issues?

[*Translation*]

Mr. Duhamel: Madam Speaker, first of all, I want to thank you for your comments on my speech, and I am very pleased to see that the Chair agrees with me.

If I understood his comments correctly, it was mainly about what we would do if we were in power. Well, in 1992, I will show you exactly what we will do.

Some Hon. Members: Hear, hear.

Some Hon. Members: Oh, oh!

Mr. Duhamel: Meanwhile— Would you please have the courtesy to hear me out? If I were the Minister, I would not have cut off transfer payments. I would not have cut training and skills upgrading. I would have increased funding for research and development. I would have increased financial support for literacy training. Those are some of things that could have been done. I would have— I must say that the Minister is very good at putting the blame on the Opposition. He is always saying: "It's the Liberal's fault! It's the Liberals fault! What would you have done if you were in power?" I told you what I would do. If you wish, I can give a few more examples. If I were you, I would stop claiming that these cutbacks have had no negative impact on our competitive position, on our Canadian identity, on youth, on Canadians, on Native people, on women, on our young men and women. I would tell the truth!

Some Hon. Members: Hear, hear.

[*English*]

Mr. Harvard: Madam Speaker, I consider very unfortunate what has happened in the House in the last five to ten minutes.

An Hon. Member: Order.

Mr. Harvard: I think my hon. friend from St. Boniface gave a very thoughtful presentation. I congratulate him on what he has said in this House. I think it is very unfortunate that a Minister would inject such irresponsible and foolish remarks as he has done in the past few minutes.

An Hon. Member: Order.

Mr. Harvard: I do have a question, Madam Speaker. I am not going to ramble on with a silly presentation as did the Minister. I have a question for the Hon. Member for St. Boniface. It concerns his remarks when he said that there was a mounting debt on the part of students in this country and that there was an increase in tuition fees.

My question is simply this: As a result of mounting debt and increased tuition fees, does he see the possibility of some students either having to quit university because of the situation or some students not being able to go to university because they simply cannot afford it?

• (1150)

Mr. Duhamel: Yes, I do foresee that possibility. In fact, there are a number of documented cases which show that students have not been able to go to college or university. A number of documented cases show that they have been unable to continue because of the lack of financial assistance.

There is no question that unless things are changed in a dramatic kind of way the situation will get worse, not better. This is the cause of a great deal of sadness about which everyone agrees. When are we going to do something about it?

Unless our post-secondary institutions and all services related to them are improved in a significant and substantial way, we will lose our competitiveness. We will no longer have Canadians believing that they can become educated and carve out an important niche for themselves, especially in terms of participating in the democratic process, in finding a job, and in contributing to their communities. That feeling is starting and in fact has been running for some time now. It is getting worse.

We need to provide the resources so that more Canadians can participate, particularly under-represented groups. Once they are there participating they need to have the resources and the supports in place so that they continue their programs of training.

Hon. William C. Winegard (Minister of State (Science and Technology)): Madam Speaker, I am pleased to be able to participate today and to discuss the motion of the Hon. Member for St. Boniface (Mr. Duhamel). He has indeed addressed some very important issues. In fact, any one of the issues that he has mentioned could take

up a full day's debate in this House. We would probably need more time even after that.

We on this side of the House are aware, as perhaps members of the Opposition are not, of the Government's achievements in terms of science and technology. I think it might be useful if we were to review in some detail, for their benefit, exactly what we have done. I will restrict my remarks pretty much to science and technology, with perhaps a few remarks dealing with the post-secondary education issue. My colleagues will cover the other issues such as training and retraining, the battle against illiteracy, and post-secondary education in general.

[*Translation*]

Madam Speaker, if any government ever recognized the importance of scientific and technological development, it certainly is this one! This Government and its Prime Minister (Mr. Mulroney) are very much aware of the impact it will have on the Canada of tomorrow.

[*English*]

Long before he entered politics the Right Hon. Prime Minister (Mr. Mulroney) was an outspoken advocate for the need to hone our competitive edge in industries by increasing the amount of science and technology not only in the country but in industry in particular—

Mr. Duhamel: That is why you shut down the steel plants.

Mr. Winegard: I thank the Hon. Member for his courtesy. After becoming Prime Minister he chaired, and continues to chair, the National Advisory Board on Science and Technology which has provided the Government with some significant advice. That board involves people from business, academe, government, labour, and the scientific community in general. It is as I know—and I have met with them several times—a very powerful board.

Just last evening I met with the steering committee of the National Advisory Board on Science and Technology to discuss new ways in which we could make Canada competitive and the kinds of things that the board should take under its wing for the next year, along the lines of what the Hon. Member for St. Boniface has been talking about. The National Advisory Board will continue to assess our national goals, our policies for science and technology, and their application to industry competitiveness in the country, which is an extremely important point.

The Prime Minister, as Members of the House know, has also altered Cabinet to reflect the new emphasis on high technology and the developing technologies. In fact, the enabling legislation for the new Department of Industry, Science and Technology is now before this House. I believe, as we just heard, it cleared the legislative committee last night. Perhaps the House will dispose of it on third reading rather quickly.

The new Department will be the flagship economic policy Department that will link industry with science and technology, trying to move ahead significantly in terms of our industrial capacity and our ability to compete.

As well, the Government has participated in the Council of Science and Technology Ministers. We have been strongly supportive of the previous House of Commons Standing Committee on Research, Science and Technology. We now intend to be supportive of the new House of Commons Standing Committee on Industry, Science and Technology.

We have been building a consensus while we have been developing a comprehensive science and technology policy for Canada through such things as the Forum for National Science and Technology which was held in Toronto, the National Forum on Post-Secondary Education held in Saskatoon, and the National Conference on Technology and Innovation. All those things go toward trying to form a consensus in the country and an awareness of where we have to go. We have consulted widely. We have established a solid framework to revitalize science and technology in the country.

The programs that we have implemented or, indeed, are implementing are a result of consultation and collaboration. They are among some of the most advanced programs anywhere in the world as we try to move toward the end that the Hon. Member for St. Boniface is encouraging upon us.

As usual, I think Members opposite do not think we have gone far enough. They insist that we have not spent enough on science and technology. They suggest that we spend more and more government money, that is, on science and technology. Next week they will be suggest-

ing in one of their motions that we spend money on other things.

Members opposite are indeed in an enviable position. They can dream of spending their imaginary dollars over and over again while we, unfortunately or fortunately for the country, have to make the hard choices with limited resources. I often think what we could do if we were not saddled with the debt that came out of 20 years of Liberal Government. Just think what we could do with that $39 billion interest. That is 70 times the amount of money we can put into the granting councils.

We recognize that we have to be judicious in spending taxpayers' money.

Mr. Volpe: When are you going to start?

Mr. Winegard: We also know that funding is crucial to the science and technology programs of the country.

I recall the words of a famous Nobel laureate who said that research is four things: brains with which to think, eyes with which to see, machines with which to measure, and money. The Government has responded to that need for research through a series of well targeted programs.

Some of those programs make a direct contribution to university research. At the opening of the National Conference on Technology and Innovation last year the Prime Minister announced that $1.3 billion would be made available for science and technology, new initiatives that is, over the next five years. That funding is broken down into a number of programs. One of the programs which I understand has received universal acclaim across the country and has received the support of my colleagues on the opposition benches is the Canada Scholarship Program under which $80 million will be used to encourage outstanding secondary school graduates to pursue undergraduate studies in natural sciences, engineering and related disciplines. When that program reaches fruition, there will be 10,000 young men and women who are Canada scholars. That is a pretty good beginning.

• (1200)

A year ago last May, the details of a $240 million five-year program to establish the National Centres of Excellence was announced. The program will promote university-industry partnerships to enhance world class research and to promote Canada's competitive position. It is important for Hon. Members to know that that program is a university led program. The main participants in the consortia will be universities with support from Government laboratories and, of course, industry. It will be mostly university led.

At the same time as we announced that program, the Government increased the base budgets of the three granting councils by $200 million over that same period. I remind Hon. Members that the Natural Sciences and Engineering Research Council, the Medical Research Council and the Social Sciences and Humanities Research Council will also administer the budgets for the Networks of Centres of Excellence. Not only will they have their own program of distributing funds to university researchers, but they will be the main operators in terms of the peer review of the national networks of excellence.

The financial impact of these programs is really quite substantial. The Government has provided over half a billion dollars to the funding available for university research and training of highly qualified personnel over the next five years. When that is added to the contributions we anticipate from the private sector through the matching policy which was announced in the Budget of February, 1986, we expect over the next five years a full $3.7 billion for university research and training of scientists and engineers.

I think it is clear to Hon. Members that the Government is working very hard indeed to ensure that science and technology is supported in post-secondary institutions. Looking at what governments alone do in terms of supporting basic research, particularly in the academic area, Canada does not stack up too badly. We do quite well.

Hon. Members would not expect me to hold the position I hold in this Government if I were not constantly badgering you, Madam Speaker, and all my other colleagues for more funding for science and technology, and that is important. Even more important is to somehow ensure that whatever funding is available to Government is used to help promote the industrial research and development that Canada so badly needs. That is the real emphasis.

Through the strategic technologies program, we are again trying to forge alliances, this time led by industry. These will be alliances of industries coming together

with universities and government to form that pre-competitive atmosphere that is so necessary to move ahead.

In the new competitive environment we see all around us today, many companies that have never done research before will have to do research. We will have to encourage that through the formation of these alliances that will bring small companies together with larger companies or groups of small companies together with Government labs and universities. These alliances will promote the concept of doing research in Canadian industry.

Let me talk for just a moment about federal transfers to the provinces. When most Hon. Members talk about that, they try to make a simple issue out of a very complex situation. We have increased funding to Canadian post-secondary institutions from something like $3.3 billion in 1981-1982 to $5.7 billion now. As part of our effort to reduce Canada's staggering debt, we have reduced the rate of growth of EPF transfers by one percentage point beginning in 1991. However, these transfers will continue to grow at the rate of inflation as a minimum, and as Hon. Members know, the transfers are provided so that the provinces can give grants to universities to cover capital and operating expenditures. There is a catch, though. We have no way of knowing or ensuring that the money we give to the provinces is used for the purpose for which it was intended. Do opposition Members really believe that post-secondary education is the sole responsibility of the federal Government?

Mr. Fontana: We haven't said that.

Mr. Winegard: They say yes. We are having a marvellous debate.

[*Translation*]

I would like to know what the Opposition has to suggest to ensure that transfer payments reach their destination: our universities.

[*English*]

Would they favour earmarking funds? There are implications to that. Would they prefer to give the EPF money to the granting councils and have them take over the whole responsibility for administering research in Canada at the post-secondary level? Would they prefer to leave the funds in the hands of the provinces entirely? How would they guarantee that other provincial funds would not be transferred away from post-secondary education if our funds were earmarked for post-secondary education? Those are important questions, questions that simply cannot be sloughed off. Those are questions that require some serious debate around the table. That is what we need to do.

Mr. Fontana: When are you going to start?

Mr. Winegard: Oh, we have started.

[*Translation*]

Madam Speaker, the Opposition seems to have some very specific ideas about what it does not like about our funding policy. Perhaps it could share some concrete suggestions with us.

[*English*]

I wish we had more time to sit down and have a serious debate—

Mr. Milliken: Not if that is all you have to say.

Mr. Winegard: Interesting. I wish we had more time to sit down and have a serious debate on the development of science and technology in Canada. We will hear later about the initiatives the Government has undertaken in such areas as job training and literacy as well as the broader question of post-secondary education.

I think it should be clear to all Hon. Members that when it comes to providing, in the words of the motion, the essential foundation for building a strong and competitive future for Canada, the Government's record has been pointing entirely in the right direction. I would like to conclude by saying two things. In my opinion, there are two issues that will prevent Canada from being competitive. I have said before that we pride ourselves on being a caring society. If we want to continue being a caring society we must, of course, be a competitive society. There are two things that will prevent that. First, the failure to take action on the ball and chain that each of us drags across the floor, the national debt and the growing interest rates. We must tackle that.

• (1210)

Second, we must, through the use of the kinds of programs that I have been talking about, bring industry in total, not just a few in the high tech area, into doing research and development so that we can proceed, meet

the global competition and continue to have the kind of Canada that we all want.

Mr. Manley: Madam Speaker, I would like to congratulate the Minister on his thoughtful speech on these important topics. He has raised a few points upon which I would like to comment and finally a point on which I would like to direct a question.

He spoke about the national debt, and the need to increase our spending being limited by our ability to cope with the debt problem. It is important to note that in the context of the national debt the Prime Minister did make an announcement a year or so ago of increasing new spending on science and technology by $1.3 billion. We have tried our best to find out where that $1.3 billion is being spent. Notwithstanding remarks by a previous Minister that it was not going into the space program, we find that some of it is. We find that $525 million of it is going into the Department of Industry, Science and Technology with no assurance that it is going to be new money.

I think it is important for this Minister of State, in particular, to recognize the fact that when we are talking about science and technology we are not talking about spending programs per se, we are talking about investments, investments that if they are not made are going to cost us far more in the long run.

The Minister has talked with some pride about the National Advisory Board on Science and Technology, and justifiably so, because this is a panel of some of the best people in Canada. Their advice to the Government is well worth while. This board advised the Government in its report published a year or so ago that the federal Government "double the budgets of the three granting councils over the following three years. Subsequent budgets should grow at an annual rate of one and half times the rate of GNP growth." Governments ignored this recommendation, Madam Speaker. I wonder why we bother bringing these significant minds together to give advice which is ignored.

In fact most of the additional funding has come to the granting councils through the matching grants program which is very unreliable because it depends upon money being contributed to the universities by the private sector, out of the control of the granting councils altogether.

It talks about the Canada scholarship program. As late as March of this year students were still waiting for some of their payments from the Canada scholarship program. This is a great idea but it would be nice to get the cash before the school year is over.

The Minister has talked about the Department of Industry, Science and Technology as the flagship economic policy department. I quote: "We on this side have sought to have as part of the objectives of that Department included in its mandate in legislation concern for environmentally sustainable development exactly in line with the recommendations of the Brundtland Commission. This is the key to our advance as a nation and to our survival that we tie all economic development to the needs of the environment." I would like to know why, in the Minister's opinion, his Government is unwilling to tie as an objective of the Department of Industry, Science and Technology environmentally sustainable development.

Mr. Winegard: Madam Speaker, the Member really had several questions but I will try to respond to them all. First, the Hon. Member suggested that he has not seen the $1.3 billion. I assure him that it is still there. In fact, he gave some of the figures himself, the $80 million for the Canada Scholarships Program, $200 million for the granting councils, $240 million for the Centres of Excellence Program, the space science program and some $500 million for industry, science and technology which we are going to use for R and D. Out of those funds comes the strategic technology program which, indeed, is one of the programs that I think has the ability to do a great deal for the country. So, the money is there.

I come to NABST, the National Advisory Board on Science and Technology. When one has a national board or any kind of senior advisory council one tries to pay a great deal of attention to it, but that does not mean that one can meet every recommendation. That is a false impression of how Government responds to advice. It gets the advice and does its best to meet that but has to work it into its other priorities. NABST itself is quite content with the work it is doing, the advice it gives and the general Government response it receives.

In coming to the environment, I think the answer to the question is that one of the Ministers of the Department sits on the Environment Committee of Cabinet. So, all of the issues that go through the main program come before that environmental committee of Cabinet and it is deliberate that one of the Ministers sits on that committee.

Mr. Brightwell: Madam Speaker, I would like to comment on the Minister's speech and perhaps ask him for a comment. I note that the debate today is being carried by people who were not here during the last Government. These new Members ask that the Government spend money to achieve the objectives of post-secondary education and scientific and technological development.

I want to cite an example that occurred during the last Government when it amended the Patent Act under Bill C-22. Under previous laws, drug companies in Canada were subject to copy in as little as four years after they applied to have their drug licensed in Canada to the point where they were withdrawing drugs from the market—I hope that is a fair statement—or delaying their introduction to the point that they were reducing the amount of research done in Canada. I want to say to the new Members and to the Minister that I believe there is a way of stimulating all of the things stated in the motion of the Hon. Member for St. Boniface (Mr. Duhamel) other than the government spending of money.

I wonder if the Minister would care to comment on policies other than the spending of money that have done all of the things that motion asks us to do.

Mr. Winegard: Madam Speaker, I believe the point is very well taken. Bill C-22 was a good example. In fact, I am trying to be generous in the spirit of this debate because I think it should not be a raucous issue.

I believe it was the Hon. Member for Ottawa South who raised the issue the other day about the difficulty with certain tax measures which prevented consortia from operating in the manner in which we would like them to operate. That is helpful when we know these things so that we can try to resolve those issues and push ahead. It does not require the Government to put up more money. It requires the Government to do something reasonable to promote R and D. Those are the kinds of issues that I believe we could all look at and make some headway.

• (1220)

I also want to take up the point again about using government money to lever other issues in these alliances. I remind the House that two or three weeks ago I signed an agreement for something I call "smart speakers"—not you, Madam Speaker, we recognize that is always the case—for five small companies that are working and coming together with funding from the National Research Council, and their own money, to develop a research program to produce these smart speakers that would recognize what was in the way and change the sound patterns. That type of alliance where we lever something outside is our only hope. We do not have billions of dollars to throw at any problem any more.

The Acting Speaker (Mrs. Champagne): Resuming debate with the Hon. Member for Regina—Qu'Appelle.

Mr. Simon de Jong (Regina—Qu'Appelle): Madam Speaker, I too wish to join in the debate this morning on the opposition motion presented by the Liberal Party which calls for a greater and enhanced federal commitment to the support of post-secondary education, scientific and technological development, job training and retraining and the battle against illiteracy.

Previous speakers from both the government and the opposition Parties have indicated the importance of scientific research and development if Canada is to remain competitive, if we are to be able to fulfil our destiny, and explore the many opportunities that modern life has to offer to our citizens.

We all recognize the importance of moving away from a resource-based economy and society to a knowledge-based society. If we are to remain competitive in terms of international trade, if we are to be able to provide meaningful jobs to our men and women and to the young students who are now in high schools and universities, if we are to be able to provide a sense of opportunity, future and hope to the citizens of Canada, we must remain competitive and we must invest more in terms of research and development. We must correct the wrongs that have been committed by past Liberal Governments and by the present Conservative Government. I suspect if we put our partisanship aside, every Member of the House will admit that we have not done enough as a

country to ensure that we have a vibrant and healthy research and development component in our country today.

Let us stop for a moment and look at the statistics and what is happening in our universities. In our major universities the library facilities are inadequate. Scientists, professors, and administrators in major universities have explained and described to us the conditions of laboratories and equipment. Much of the equipment in laboratories is totally outdated. In some facilities walls are crumbling and paint is dropping down. At times we have heard reports of dead rats and mice being found in the laboratories of our universities. That is totally inadequate. The equipment is totally inadequate.

In terms of human resources in our universities and research facilities there is a total lack of support staff. The number of students per professor has increased over the years. Over the last number of years we have seen the research capacity in our universities slowly but steadily degrade. We have also seen rising costs to our university students. As the cost of educating our young people increases, the universities have responded by increasing tuition fees and at the same time making it more difficult for students to enter by increasing the qualifications.

The danger is that universities will only become accessible to a very few. There is a dangerous trend setting in that takes away from the egalitarian notion that has guided post-secondary education in Canada for many years. This of course works against women. Historically, our universities have been slanted towards men. The university population has generally been more male than female. Over the last number of years this trend started to be corrected. I suggest that the more difficult it becomes to gain entrance into a university, again we will see discrimination against females. Restricting accessibility to universities will hurt the number of women and the opportunities that they will have to enter university.

Over the last number of years student support programs have gone downwards. Bursaries and scholarships are available to only a few. Many students are dependent upon loans which can burden them with a huge debt load, as much as $35,000 upon graduation. Part-time students, especially women, face severe barriers such as a $2,500 loan limit and a requirement that payment begin six months after graduation. Both the facilities at universities and the support programs for students and graduate students are being diminished.

Surely that is a responsibility the present Conservative Government must share in. This is despite what the Prime Minister (Mr. Mulroney) originally stated when he was in Opposition.

I am certain the following quote has been put on the record many times, but it is worth repeating. In a book the Prime Minister wrote entitled *Where I Stand* he stated: "The starting line for me is the technological dimension. Either we go into the game and become important players in the major leagues or we become a nation that will, in its entire lifetime, play in the Junior B circuit". This was written by the Prime Minister on Canada's poor performance in science and technology.

Yet, what is the record? In terms of the EPF programs we see in this particular Budget a further cut-back. Less money will be going to the provinces for Established Programs Financing.

Mr. McDermid: Less money?

Mr. Oberle: More money will be going to the provinces.

Mr. de Jong: We hear now from the Conservatives. The line being proposed is that they are not cutting back the amount of money that will be going to the provinces and therefore to the universities.

Mr. Oberle: There will be $25 million more in the next five years.

Mr. de Jong: What is occurring is that the increase in terms of inflation and in terms of needs will not be the same as was the previous program. The universities will see less money than they would have under the previous program. This occurred when the Tories first introduced their cuts in the 1985-86 Budget. When the Liberals did it in 1982, the Minister of Finance (Mr. Wilson), then in opposition, stated on February 1, 1982:

> The Minister is proposing to cut spending in two very important areas. He is prepared to risk major cut-backs in medical care and post-secondary education. Rather than rush into this on a unilateral basis and force spending cuts and service cuts on the provinces, would the minister and the government consider entering into two or three national conferences on health and post-secondary education so that we can set out the national objectives of the various levels of government in these two important areas before we cut

spending, and before we cause closures of hospitals and cut-backs in post-secondary education?

That was stated by the Minister of Finance when he was in opposition on February 1, 1982. When the Liberals did it, the Tories said that it was a cut-back. Now that the Tories are doing exactly the same thing, it is not a cut-back, and to the Liberals it has become a cut-back.

• (1230)

The fact of the matter is that under both Liberal and Conservative Governments there have been cut-backs to post-secondary education and to our health programs. When the Liberals did it, the Tories accused the Liberals of cutting back on post-secondary education and on health care. The Government of the day, the Liberals, said: "No, these are programs the provincial Governments can spend as they wish and therefore we are not forcing a cut-back on post-secondary education and on health care." Now that we see the reversal with the Tories in government, they are claiming that it is not a cut-back to post-secondary education.

We are now hearing the Liberals make the charge that the Tories used to make when they were in opposition. One must ask: Where is the commitment? The commitment only exists when these Parties are in opposition. When they are in government, they lose their commitment.

We must also examine the Liberal commitment to science and technology. In opposition they proposed that the expenditures on R and D should be 2.5 per cent of our Gross Domestic Product. When they were in power they consistently fell below that. In the 1984 election they were to introduce a quick fix. They introduced a tax proposal, namely, the scientific research tax credit. That particular proposal blew around $2 billion of taxpayers' money with very little research and development to show for it. The only R and D that came out of that proposal was R and D by smart tax accountants who figured out ways and means of saving companies tax moneys or perpetuating tremendous tax scams.

I hear Liberal Members suggesting that I am exaggerating. Let me tell them that the SRTC tax scam was one of the most major tax scams in the history of this country. It was a badly thought through proposal and wasted much money. If that $2 billion been used for genuine research and development, we would have seen universities in a much different situation from the one they are in today. However, the Conservatives should not take too much credit in terms of closing down that tax scheme. It was introduced in the spring of 1984. We warned that it was a tax scam, that it was not going to produce any research and development.

The Tories were elected in the fall of 1984, but did they close the tax scam down? No, they did not. It took them until May of the following year finally to close it down. Half of what was lost in terms of revenue was lost in the period of time between the election of the Conservative Government and when they finally closed it down. They should have closed it down right after the election. They knew it was a tax scam. They knew what was being lost under that particular scheme.

What the scientific research tax credit scam shows, and the difficulty we faced in terms of scientific research and development under Liberal and Conservative Governments, is really a lack of a systematic plan to tie in our economic development with an economic strategy and a social strategy. We must tie in our economic strategy with what we spend on research and development through our universities, through our various scientific institutions. What is so desperately needed is a strategy that will begin to target key sectors of the economy, to channel our financial resources, technological resources, and various public and private resources to ensure that as a country we become number one in those particular areas.

That is what the Europeans are doing with the European Economic Community. That is what the Japanese have done. That is what these countries have done, and they have become very successful in developing their research and development. Unfortunately in this country, we still continue to follow a helter-skelter strategy. We lose money and very often we waste money on research and development. It has resulted in Canada being eighth among the OECD countries in terms of what we spend on research and development as a percentage of our Gross Domestic Product.

Let us look at the history of research and development in Canada compared to Sweden. Sweden is a small country. In fact it is smaller than Canada in terms of population. Yet, what it spent as a percentage of its Gross Domestic Product on research and development between 1971 and 1986 ranged between 1.5 per cent and

2.5 per cent, compared to Canada's record of around 1.4 per cent of our Gross Domestic Product.

In terms of developing high-tech industry, the Swedes have become very successful. They have done it as part of an industrial strategy. In Sweden it is the trade union movement that is in the forefront of technological change. When the price of oil went up in 1973, the Swedish unions recognized that unless Swedish industry became competitive and increased its efficiency, they were going to be priced out of the world market.

Mr. McDermid: Explain that to Shirley.

Mr. de Jong: Let me make my point here. The Tories are always anxious to bring up Shirley Carr. Let me finish making my point.

The trade union movement in Sweden has scientists on its staff who know the most up to date technologies in the world. In Sweden the Government, the unions, and the private industry work together to ensure that Swedish industry is one of the most competitive in the world. That is why I can go down to Ikea and buy a table costing $75 that is made in Sweden with Swedish softwood, shipped over here, and sold in that store. They are able to accomplish that efficiency because they have a mixed economy. There is a social contract among labour, business, and government.

It means that when Swedish industry makes money because of new technological innovations, it reinvests it in Sweden and in Swedish industry. Union contracts ensure that there will be reinvestment in the plant and equipment and that there will be research and development done in Sweden. They also ensure that there is a social net to retrain Swedish workers who may lose their jobs because of technological innovation. It ensures that they will not lose their mortgages and will not see a decline in their living standards. They will be fully consulted in the implementation of that new technology. That is the smart way to introduce science and new technology, in a co-operative way among workers, business, and government.

In Canada—and here I come back to my Conservative friends—working people are afraid of research and development and new technologies because they know there is no retraining program. They are afraid because, if they lose their jobs, they will lose their mortgages, their standard of living, and they will slide on unemployment down to the welfare level. That is the concern and the legitimate fear of working men and women in this country. Unless the Government stops attacking our social system, there will be resistance by working people against scientific research and technological innovations. Very rightly and legitimately working people are afraid of losing their jobs, their mortgages, and their standard of living.

If we are to have an efficient Canadian industry with high paying jobs, which the Swedes are able to do, we must develop a contract, a social understanding, among labour, government, and industry. This would mean that all sectors of our society could begin to act responsibly. The Tories are the first in line to denounce labour for acting irresponsibly. I suggest to them that they act irresponsibly when the Government starts cutting back on EPF, cutting back on retraining programs, not fulfilling its promises about day care, and starting to cut the social net which reassures working men and women that they will not lose their standard of living as a result of technological innovations.

• (1240)

Social responsibility requires that when industrial profits rise there is a commitment to keep those profits in Canada by reinvesting in research and development and new technologies.

One reason that Canada has such a low percentage of research and development as part of its Gross Domestic Product is that private industry does not do research and development in this country. Another reason for such a dismal record of R and D investment in Canada is that most of our industries are foreign controlled. Companies in a branch plant economy do not do research and development here but in their home countries. I am not saying anything new. The Lafontaine committee set up by the Liberals many years ago pointed that out as well.

Yet the Liberals, during their term in office, failed to make certain that Canadian industry was controlled by Canadians. The Liberals allowed the multinationals to come in and buy us up. It was the defeat of Walter Gordon and the fight within the Liberal Party that led to the lost opportunity of making certain that Canadian industries would be owned by Canadians. We are now

seeing some of the results of Liberal policies of the 1950s and 1960s—

Mr. Oberle: Supported by the NDP.

Mr. de Jong: I will forget that comment because it is not made on the basis of intelligence or reason.

The fact that we are essentially a branch plant economy means that there has been low research and development investment here by industries. Consequently, we do not have the jobs for our young technologists and scientists. This has to be blamed initially on the Liberals, and certainly the Tories are finishing off the job as they sell us into the arms of the multinationals. There must be increased research and development. In order to achieve that, many changes will have to be made.

Mr. Oberle: Madam Speaker, I want to correct the Hon. Member. I understand that all of us are ignorant in different areas, and the Hon. Member has perhaps reached into an area about which he is somewhat ignorant. What he said about Ikea and the Swedish innovative way of manufacturing low cost furniture was true a couple or three years ago when the Liberal policies were still flourishing. It is not true today.

There are several plants that have perfected the Ikea idea and are manufacturing furniture with Canadian pine lumber and Canadian workers, not just for the Canadian domestic market but for export of that particular furniture. His statement that we are importing a Swedish idea and Swedish pine wood to Canada is no longer true. We corrected that.

I was intrigued by his suggestion that it is the Government's fault and industry's fault that there is little or few opportunities for young Canadians to take apprenticeship training to upgrade their skills. He laments the fact that there is not the kind of partnership in terms of the industrial relations process that exists in countries like Sweden and Germany.

I suggest to him that the unions deserve a little bit of the blame for that because they prefer the adversarial system that is the fundamental nature and main element of our industrial process. It is the unions that resist young people being allowed to come into a company to learn a trade and perhaps get a lesser wage while they are doing it. It is the unions that resist the introduction of new technology in plants because they are afraid of their jobs. While I readily admit that others are to blame, generally speaking it is the unions that resist it.

If the Member wants to use the Swedish model, perhaps he will recognize that the unions in Sweden encourage their employers to establish plants in other parts of the world so that their ideas will reach out and the workers can secure their jobs at home. There is a totally different attitude to labour in countries like Sweden, Germany, and Japan.

If he wants to do this country a favour he should talk to his friends in the union movement, take them to Sweden to look at those models, and try to implement them here. It is quite true that unions in Sweden have scientists on their staff. As well, the best economists in countries like Germany also work for the union movement. Our unions are not interested in that. They prefer the adversarial process in which they are right and everyone else is wrong. The Hon. Member actually believes that.

Mr. de Jong: Madam Speaker, it is interesting to hear the Member, a former Minister of State for Science and Technology. He has made two points. One is that because of his Government's policies Swedish pine furniture is no longer coming into Canada and the other is that Canadian companies have followed the Swedish technology and have become so competitive that there is no need to import Swedish pine furniture. I must tell the Hon. Member that just a few weeks ago I was at the Ikea store where it was plum full of pine furniture from Sweden that seems to be selling quite well. I am not suggesting that there are not Canadian companies which are able to compete.

Mr. McDermid: It is made in Canada. Ikea is contracting to make it in Canada. You are missing the point.

Mr. de Jong: Perhaps I could finish my remarks. The other point made by the Hon. Member is more serious. He reverts to pointing to the unions as the real reason that we do not have the technological innovations. He suggests that their resistance is the cause of the bottleneck to technological innovations in this country. He then compared us to the Swedes.

The Member still has not understood the point I was making. I said that the reason Canadian workers are afraid of technological change, as opposed to Swedish workers, is that there is no social guarantee in this country. During the last election I sat with a man in his fifties who was a pipe fitter. He was in tears because his traditional job had been wiped out. He had been unemployed for six or seven months and recognized that his

future was just a downward slide to the rolls of the unemployed, with no future. It is no wonder that working people fight tooth and nail against that.

If the Government begins to offer working people a guarantee that they will be retrained and there will not be a decrease in their standard of living, they would be in the forefront of technological change. They will help introduce new technological changes. They will want newer, better reforms of production to make certain there are good wages in their industry and to ensure that their industry is competitive on a world-wide basis. They will want to make certain that when the new technologies are introduced their work will become more pleasant and less dehumanizing.

Working people will become involved with technological innovation when they are given that assurance. It is the irresponsibility of the Government and its attack on our social programs that create fear among working people.

• (1250)

Mr. Duhamel: Madam Speaker, when we initiated this discussion I had hoped that we might collectively attempt to identify certain problems and perhaps address those issues to see what we might do for those who are not participating fully in education—the poor, a number of women, native people, a number of new Canadians, and people from smaller, more isolated regions. While some important points have been made, I bristled a bit when a member of the Government suggested more than once that we were somewhat irresponsible spenders and that we did not care about the deficit. He accused us of having accumulated a lot of debt.

If that kind of discussion continues, we are going to get away from the main thrust. I would hope that somehow the Government would see fit to admit that it has in fact doubled that debt in the last five years. Perhaps the blame should be shared.

The major focus of the Hon. Member appears to have been, in spite of the fact that he set partisanship aside, on the errors of the Liberals of the past and the Conservatives of present. I would suggest that our focus on what is happening now to try to bring about responsible solutions might be much more productive.

I would like to ask the Member this very brief question. He has referred to the errors of previous Liberal administrations and current Conservative administrations. There has been a number of New Democratic Governments in power. I wonder if he would care to comment about their records in the administration of funding for education. Just in case he is not familiar with the details, I would be more than willing to provide some.

Mr. de Jong: Madam Speaker, I do not have the statistics at my fingertips on what New Democratic Party Governments, when we were in government in B.C., in Manitoba, or in Saskatchewan, spent on education. Of course we want to put it into the context of increases over a number of years.

I know, just in terms of my own personal experience, in Saskatchewan, that during the Douglas Government and the Blakeney Government university funding was increased over the years, but certainly not as much as I would have liked. I remember, when I was president of the students' council in 1963-64, leading the students out on strike against the Lloyd Government which was cutting back on university funding and resulting in an increase in student fees.

I feel that no Government has really spent the type of money and provided the investment in our post-secondary education which I think it deserves. It is an investment in the future. I think the Government is making a mistake. It might save pennies, but it is going to cost dollars in the long run. We can cut back on education and programs which do away with illiteracy, but we are going to pay for it. We are going to pay for it in higher social costs over the years. An educated population results in better paying jobs, which result in higher revenues for the Governments and for the public purse. I suggest that investments in education and in science and technology pay back many, many fold in the long run.

[*Translation*]

Mr. Gauthier: Madam Speaker, on a point of order.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Ottawa—Vanier (Mr. Gauthier), on a point of order.

Mr. Gauthier: Madam Speaker, some time ago, a new provision that would apply on Opposition days, when the House considers an Opposition motion, was adopted unanimously by the House. Each political party may divide the twenty-minute period for speeches plus ten minutes for questions and comments in two equal periods of ten minutes, each followed by a five-minute period for questions and comments.

I would like to suggest the following, today, now we have had our first round. Each Party representative has had a chance to speak his twenty minutes plus ten. We of the Liberal Party would like to suggest to the House that Hon. Members adopt a procedure by which from now on, each Party, when its turn is called, may divide the conventional twenty minutes into two ten-minute periods, each followed by five minutes of questions and comments.

[*English*]

Mr. Cooper: Madam Speaker, we on the government side have co-operated in terms of this procedure in the past. We believe that it is a good one and want to co-operate again today.

I would indicate, though, that we do have two speakers left who I understand will probably want to use the full 20 minutes. Certainly we have no problems with the spirit of that. As the Parties are ready to split their speeches I think it is a good idea, and also to have the time period for questions split as well.

The Acting Speaker (Mrs. Champagne): There seems to be unanimous consent.

Some Hon. Members: Agreed.

The Acting Speaker (Mrs. Champagne): Resuming debate with the Hon. Member for Halifax.

Ms. Mary Clancy (Halifax): Madam Speaker, the fate of the universities in this country hangs in the balance following the budget cuts to established program funding. Most particularly the fate of universities in Atlantic Canada are in a precarious state. My riding of Halifax has seven universities, each with a unique role to play. Universities are fragile and complex institutions. They are the repositories of accumulated knowledge of our civilization. They are the foster parents of the future.

Universities are, it is true, only one of the elements in the tertiary educational system. Community colleges, apprenticeship, and vocational certification programs are the others. Universities are the pathfinders of the societal change in every sense of that concept. Today, technology is the chic word but political, social, economic and cultural change will be forgotten only to our peril. In Canada we have evolved a university system which integrates traditions of European and North American education.

One has only to travel to developing nations to understand what a tremendous resource we have. Sadly we have managed to allow the potential of our universities to become the victim of shortsighted political concerns. Differential fees for foreign students and our failure to market our universities internationally have seriously diminished the capacity of universities to build global links which could be of immense future importance.

Canadian embassies are reticent to enter into what is considered provincial competition for foreign students and thus will often not market Canadian universities. Historically in this country we have education as a national social priority; thus the established program funding system which is an hybrid offshoot of the original notion of equalization positive in the Act of Confederation.

What complicates this system is the relationship of the division of powers as stated in the BNA Act and the principles of equalization as they evolved in the 20th century. Spheres of influence tended to muddy the waters of 20th century social policy. The debates over transfer payments and the evolution of the EPF system are marvellous case studies of the adaptation of 19th century concepts, often fuzzy and ill-developed as was appropriate to that time, to 20th century policy imperatives. Much can be said about this point.

With respect to the fundamental role of universities, the evolution of EPF and the decision to integrate tertiary education into the equalization game have had some dire consequences for the quality of education. It is wise not to romanticize equalization, for it really is premised upon the concept of the lowest common denominator.

Philosophically EPF guarantees minimum standards rather than creating maximum goals. In financial terms this has specific results. The federal Government transfers funds, and the provincial Government, quite properly, decides upon their allocation. It can be argued that there is no answer to this, other than a responsible and

co-operative collaboration between the two levels of government.

The financial commitment to the support of post-secondary education cannot in our constitutional picture be viewed as a back door to altering the established relationship of federal and provincial powers. The time has come for change, a change which is so desperately needed in the universities of this country. It must be through co-operative and sensitive federal-provincial negotiations.

The federal Government has chosen a more subtle route to amending the existing system. Having recognized that a national policy on education—and the very term is fraught with unwanted images—is a political minefield, the Government has de-indexed and done other cute financial things to EPF funding for education. The result is a very tragic one.

The Acting Speaker (Mrs. Champagne): I am sorry but I must interrupt the Hon. Member now.

[*Translation*]

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

THE ENVIRONMENT

U.S. PROPOSALS ON ACID RAIN

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the acid rain proposal by President Bush will cost American utilities an estimated $700 million per year, or half the cost of a Trident submarine, to achieve only a 42 per cent reduction of pollution by the year 2000. The Minister of the Environment (Mr. Bouchard) likes this proposal and claims that by 1995 our lakes and forests will come back to life. Unfortunately, he is naive.

Canada should have at least two major concerns with President Bush's proposal. The plan appears to allow juggling because of the trading provisions for polluters. There is the possibility that the big polluters who dump on Canada will trade for the right to continue polluting instead of making cuts.

Second, there is no cap on emissions. As the American economy grows, the allowable pollution would grow even though new sources would meet the emission standards. President Bush's proposal does not ensure that the health of our rivers, forests, buildings and structures will be protected. We urge the Government to ensure that Congress shortens the deadlines, raises the targets and caps the emissions.

* * *

NEW DEMOCRATIC PARTY

UPCOMING LEADERSHIP CAMPAIGN

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, get this. The NDP wants to try and run a squeaky clean leadership campaign. Now, that is highly unlikely. This MP from Churchill says, "We're not going to try and use the tax system". Well, Mr. Speaker, why should they change now? Remember how this present Leader wrote to business Canadians using his government frank to solicit funds? The Churchill MP also says, "We cannot be seen as using House of Commons facilities". My NDP office neighbour from the last Parliament ran the entire maritime campaign from a Parliament Hill suite.

Canadians will also remember that this squeaky clean Party had the policy of using federal funds to finance municipal New Democrat politicians. Clearly, the NDP should look beyond this House for someone eligible to strut their squeaky clean stuff.

* * *

FINANCE

DONATION TO HELP PAY OFF NATIONAL DEBT

Mr. Gus Mitges (Bruce—Grey): Mr. Speaker, Reverend Seymour Boyce and Mr. Allan Tobey, layman in charge, and the congregation of the British Methodist Episcopal Church of Canada, Owen Sound, Ontario, have indeed the concern, the love and the welfare of our country uppermost in their minds.

Encouraged by the action of a Canadian lady who a few weeks ago presented a cheque to her MP to help pay off the debt, they presented me with a cheque of $100 to be presented to you, Mr. Speaker, to forward on to the

Minister of Finance (Mr. Wilson) to be used to help defray our national debt.

Hopefully, the example of this unselfish deed will gather momentum all across our country and, who knows, perhaps we will be paying off our national debt sooner than expected.

As well, all donations to Governments are 100 per cent deductible.

* * *

HEALTH CARE

SPINA BIFIDA WEEK

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, this week is Spina Bifida Week across Canada. It is a time for all Canadians to examine the realities associated with spina bifida and the related condition, hydrocephalus. Spina bifida is the most common disabling birth defect in Canada. It affects more children than muscular dystrophy, cystic fibrosis, multiple sclerosis and polio combined.

To raise the profile of spina bifida and in honour of Spina Bifida Week, I have spent the day with Sue Mackay who was born with this disease. Sue joins us this afternoon in the gallery. Her courage in performing the every day chores and duties that most of us take for granted is an inspiration for me and for all Canadians.

As little as 30 years ago, the majority of children born with this congenital defect died of complications. Now with aggressive up-to-date medical and surgical care, at least 90 per cent of people with spina bifida live and lead full and productive lives.

I call on my colleagues in this House and all Canadians to consider the importance of research and treatment of spina bifida and hydrocephalus and to recognize the personal victories of the Sue Mackays of this world.

Some Hon. Members: Hear, hear!

* * *

GOVERNMENT PROCUREMENT

LETTING OF PRINTING CONTRACTS

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, this Government claims the letting of government contracts is done in a fair and equitable manner. Yet the Government is the victim of its own statistics.

A recent report from the Canadian Government Printing Services Branch shows that 89.2 per cent of government printing contracts go to Ontario and Quebec, home of only 63.5 per cent of workers; 10.7 per cent goes to the four western provinces, home to 28.8 per cent of Canadian workers; and .01 per cent goes to Atlantic Canada, home of 7.7 per cent of workers. My home province of British Columbia received only 1.2 per cent of contracts with a work force of 15.2 per cent.

The printing industry is on the sacrificial altar of free trade and will not survive if the Government continues such blatant discrimination in the letting of contracts. It is time the Government committed to regional fairness in government procurement contracts and treats western and eastern Canada as part of the economic family of Canada.

* * *

MUNICIPAL AFFAIRS

CONFERENCE OF FEDERATION OF CANADIAN MUNICIPALITIES

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I was pleased to be able to attend, along with my colleague from Nepean, a conference held by the Federation of Canadian Municipalities in the beautiful city of Vancouver this past weekend.

One of the issues highlighted at the conference was a deteriorating condition of watermains, sewers, bridges and roads in municipalities across Canada.

[*Translation*]

I want to congratulate the Federation and its members for their commitment to solving these serious problems.

[*English*]

It is time for the federal Government to resume its traditional role as a partner with the provinces and the municipalities. I encourage Members from all sides of the House to work with us on this national crisis so that we may ensure a sound economy, healthy environment and public health and safety for all Canadians.

S. O. 31

RAILWAYS

VIA RAIL SERVICE

Mr. Ross Stevenson (Durham): Mr. Speaker, I wish to commend the Toronto–Peterborough–Havelock Line Passenger Association for its realistic efforts to preserve the VIA Rail service.

VIA officials have identified this train and the Quebec–Windsor corridor as the two lines that come closest to paying for themselves. The Passenger Association, in a recent presentation to the President of VIA, demonstrated a willingness to work with VIA to rationalize this service.

The Association stated, and I quote that it "strongly supports the Government's desire to minimize VIA's dependence on the public purse," but stressed that VIA must be free of its regulatory stranglehold and allowed to operate as a true business venture. The Association listed a number of eminently practical suggestions for making the train more economical. This is an outstanding public–spirited initiative by these passengers to keep the Toronto–Havelock line open. I hope the proposals receive the detailed consideration they warrant.

* * *

FINANCE

PROPOSED GOODS AND SERVICES TAX

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, the Government's proposed 9 per cent goods and service tax is proving to be an implementation nightmare for the small business person in this country. There are two major problems for small business.

First, there is the problem of compliance. We will now have a two–tier taxation system. The small business will now have provincial and federal taxes to calculate on each item not exempted. Administratively, this will be a quagmire.

The second major problem with the goods and service tax is an economic one. GST is not revenue neutral and increased prices of goods and services will be passed on to the consumer. It is predicted that the average Canadian family will lose $1,000 per year in purchasing power. This reduction in buying power will result in a drop in consumer demand and thus have a very serious effect on the small business sector.

For a government that has said it recognizes the importance of the small business community in the Canadian economy and have promised to cut down on red tape, they have again shown their disdain for small business. Hiring up to 25,000 new people to collect the tax and complete the forms will only add to the problem. Small business is very concerned that this goods and service tax is just the beginning of further assaults on the economic viability of the small business community in this country.

* * *

PENSIONS

DEFICIENCY IN CANADA PENSION ACT

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, I wish to point out once again a deficiency in the Canada Pension Act. As a result of the current test of recency provisions, a number of disabled persons have had their otherwise legitimate applications for Canada Pension disability pension rejected.

There are several hundred disabled Canadians who, when they left their employment, in fact qualified for CPP disability pension but were unaware of its availability to them. When they subsequently learned of the disability pension and applied for it, they were denied because their years of contributions no longer met the test of recency.

These disabled Canadians paid into the Canada Pension Plan. The lateness of their application, lateness owing in some cases to the nature of their disability, ought not to disqualify them from a disability pension. I, therefore, urge the Minister of National Health and Welfare (Mr. Beatty) to seek the appropriate amendments to the legislation in order to accommodate these deserving Canadians.

• (1410)

[*Translation*]

THE ENVIRONMENT

U.S. CLEAN AIR LEGISLATION

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, the tenacity and determination of the Canadian Prime Minister (Mr. Mulroney) in dealing with Washington on acid rain have paid off.

Yesterday, the American Administration tabled a bill under which the United States will cut sulphur dioxide emissions, an essential component of acid rain, of which a large part comes to Canada, in half by the year 2000.

When they met in Montebello last week, the governors of the Eastern United States said that pressure from the Canadian Prime Minister had forced the United States to take acid rain seriously and to act quickly.

Our Government has always said that acid rain is a top priority for it, and the initiative proposed yesterday by the United States, after eleven years, is a promising step in the fight against a problem that has destroyed 14,000 Canadian lakes.

Of course, Mr. Speaker, much work remains to be done on this issue, but yesterday's announcement gives Canadians and my colleagues hope that they will finally see their efforts rewarded.

* * *

[*English*]

THE LATE CHARLES RUTHERFORD, V.C.

Mrs. Christine Stewart (Northumberland): Mr. Speaker, on Sunday last in my riding of Northumberland, I had the moving privilege of witnessing three First World War veterans do the honour of burning the Port Hope Legion's 17-year mortgage. Unknown to us at the time, on that same day the most honoured of Northumberland's First World War veterans, Charles Smith Rutherford, was called to his final rest.

Charles Rutherford brought great honour to the riding of Northumberland. He was the last surviving winner of the coveted Victoria Cross which recognized his heroic service in the First World War. As a member of the Fifth Battalion of the Canadian Mounted Rifles he saw active service in the trenches of France where he single-handedly captured 45 of the enemy and assisted in the capture of 35 more. This and other acts of gallantry deservedly earned him Britain's top military award as well as two other British medals—the Military Cross and the Military Medal.

Charles Rutherford is quoted as saying his greatest reward for surviving the war was to return to his home at Colborne, Ontario. Though he was humble about his own accomplishments, as Canadians we can all be proud of him and for him and be forever grateful for his service and sacrifices on our behalf.

On behalf of Canadians everywhere, especially those in Northumberland, I wish to extend my sincere sympathy to his children, grandchildren and great-grandchildren.

* * *

THE ENVIRONMENT

DETERIORATION OF ATMOSPHERE

Mr. J. W. Bud Bird (Fredericton): Mr. Speaker, in the testimony of expert witnesses before the Environment Committee over the past several weeks the deterioration of the atmosphere has been an overwhelming theme. It is obvious that ordinary citizens throughout the world do not yet fully grasp the stark implications of that subject for the very survival of mankind, unless we are willing and able to manage such critical environmental issues as the ozone layer, global warming and air pollution in all its forms.

Not only will such management be essential in Canada, it will be even more critical on an international and world basis.

The compelling challenge is not just scientific or technological, even more it is political in terms of achieving world-wide consensus and co-operative action.

This week we received a hallmark decision toward such an international accord on atmosphere management with the announcement by President Bush of new clean air policies in the United States which commit themselves to acid rain reductions that significantly affect Canada. This news is not just significant for the merits of acid rain controls which it brings, but even

more it sets a precedent for two countries working together politically to manage the atmosphere.

There is now a real basis for confidence that a formal acid rain treaty will follow as a political model which will eventually evolve to encompass other atmosphere issues, and will eventually extend to include all nations of the world.

In terms of managing the atmosphere, nothing less will ever be sufficient.

* * *

RELIGIOUS PERSECUTION

DEFACING OF SYNAGOGUE AND SCHOOL IN NORTH YORK

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, a political philosopher of years gone by observed that the price of freedom is vigilance. That point was brought home last weekend by the cowardly acts of mindless vandals perpetrated on the grounds and building of the Shaarei Shomayim Synagogue and Yeshiva Yessodei Hatorah School in the City of North York.

Ours is a country which has institutionalized the concepts of religious and cultural tolerance. In affording others respect for their uniqueness, and according them the right to lead their lives in dignity, we as Canadians have reaped great material dividends. However, it would appear we have yet to conquer the small-mindedness and the malice of a minority within our midst. Their actions harm the innocent and diminish our worth as a people.

Happily, the real Canada and true Canadians behave differently. My riding association, whose membership includes among others Canadians of diverse origins including Guyanese, Portuguese, Greek, Macedonian, Italian, Scottish and Indian passed a unanimous resolution condemning the vandalism and calling on the authorities to act swiftly and aggressively to eradicate this cancer from our midst.

We must reassure all minorities and the Jewish communities of Eglinton—Lawrence and elsewhere that, when they hurt, we all feel the pain.

I know that this House—the ultimate expression and defender of freedom, equality and brotherhood—will concur.

THE ENVIRONMENT

PROPOSED CHANGES TO U.S. CLEAN AIR ACT

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, I commend the action of U.S. President George Bush for introducing new measures to protect the quality of the air. The proposed changes to the Clean Air Act will significantly reduce acid rain emissions from the United States.

The plan calls for the reduction of sulphur-dioxide and nitrous oxide emissions that cause acid rain. The reduction requires emissions to be cut in half by the year 2000.

The Government of Canada, in its commitment to the protection of the environment, is committed to cut in half sulphur-dioxide emissions by 1994, and has placed a permanent cap on sulphur-dioxide emissions of 2.3 million tonnes.

I welcome this important announcement since it establishes a united approach in building for our common future.

I look forward to the day when both countries will experience the improved environment that will result from our combined efforts.

ORAL QUESTION PERIOD

[*English*]

THE ENVIRONMENT

U.S. PROPOSALS TO CUT ACID RAIN

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is addressed to the Prime Minister. Canadians are certainly pleased that we finally have a U.S. President who recognizes that acid rain is a problem that requires congressional solutions. However, congressional solutions are not always international solutions.

We in the Liberal Party are extremely disturbed that the Bush proposal contains no specific monitoring the sulphur-dioxide emissions and, in particular, that there is no over-all cap in the creation of sulphur-dioxide emissions. In other words, if an American power plant is built tomorrow that exceeds the standards, according to the President's proposal, that would be okay.

Does the Prime Minister agree with us that the lack of an over-all cap and the specific lack of monitoring provisions are serious omissions? If he does agree, what specific action will he take to lobby for changes in Washington to the Bush proposal?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I know that my hon. friend and all Members of the House will rejoice with all Canadians in the very substantial step forward taken yesterday regarding acid rain.

Some Hon. Members: Hear, hear!

Mr. Mulroney: As expert observers have pointed out, this is the first major initiative by the American administration in 12 years. I think it is good news for Canada and good news for all Members of the House who have been deeply involved in trying to pursue clean air on this side of the border as well.

My hon. friend points out possible omissions from the legislation. I think we should wait to see what the legislation will look like when it is brought before the House of Representatives and the Senate of the United States. We will comment on it then. However, I can assure my hon. friend that we will be as resolute, as patient and as persevering as we have been from the very beginning to bring about the happy result of yesterday.

[*Translation*]

REQUEST AS TO WHETHER THE PRIME MINISTER WILL INTERVENE CONCERNING AMERICAN LEGISLATION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the Bush proposal has serious shortcomings that will continue to kill maple trees, for example, in Québec. One of the shortcomings is the lack of a ceiling on sulphur dioxide emissions. I would like to ask the Prime Minister whether he has specific proposals to make today in order to improve the legislation that will be presented in Washington and to improve the Bush proposal, because, as it stands now, Canada has no guarantee that the Bush plan will let Québec's maple trees thrive, and I think that is important.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, since my friend referred to Québec, she would no doubt like me to point out the very enthusiastic comments from Québec Premier Bourassa, who said yesterday evening that Mr. Bush's initiative was just wonderful for Québec and Canada. So I think that is good news for Québec and the rest of Canada.

As for possible shortcomings in any legislation, we will follow the situation closely and I can tell the Hon. Member that I have invited Senator George Mitchell, the Senate majority leader, for an official visit to Ottawa next week. The scope of the legislation proposed by the American Administration will definitely be on the agenda then.

• (1420)

[*English*]

SULPHUR DIOXIDE EMISSIONS REGULATIONS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, in the Bush proposal, the emissions trading proposition or the permit to pollute, has been described by a U.S. Senator as a situation in which a permit to pollute may be given to certain polluting companies in the northeastern United States, something which will do nothing to improve the difficult situation of acid rain which is currently raining on Canada. That is a concern not raised by the Liberal opposition but by a Republican U.S. Senator from Minnesota who has been actively lobbying for changes in the sulphur dioxide emissions regulations in the United States.

Does the Prime Minister have proposals which will ensure that the transboundary problem of acid rain, acid rain from the United States which is raining on Canada, will be specifically monitored in the legislation? Will there be specific provisions to ensure that the permit to pollute which will be permitted under the Bush proposal will not be given to companies in the northeastern United States to the detriment of the acid rain problem in Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the point raised by my hon. friend underlines again the importance of the negotiation by Canada of a bilateral accord with the United States in the area of the control of acid rain. This notion, of course, has been denigrated by certain commentators who suggest that legislation before the American Congress of itself is sufficient. We take the view that there must be that kind of important legislation which the President referred to yesterday and it must be followed by an acid rain bilateral accord which we will negotiate with the United States of America.

With regard to any deficiencies in the legislation as it works its way through the Congress, I have already arranged for Senator George Mitchell, the majority leader of the United States Senate who is from Maine, to come to Canada on an official visit. One of the important considerations between us will be a detailed discussion of the acid rain legislation and the manner in which we hope it will benefit both Canada and the United States.

While there are clearly imperfections in any proposal, I think my hon. friend, with her interest in the environment, will recognize and salute the fact that yesterday was a red letter day, and I underline that phrase, for Canada and for all of us who believe in the environment.

* * *

TRADE

ONTARIO HYDRO—IMPORTING OF U.S. COAL

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I too would like to pose a question to the Prime Minister on this subject. While properly complimenting the President of the United States on his initiative, the Prime Minister has neglected to mention the real delay that we are facing in Canada in replacing the close to $1 billion worth of dirty U.S. coal that is presently used in Ontario Hydro generating plants with sulphur-free coal from western Canada.

Aside from one or two small research projects, no progress has been made in meeting the 1992 deadline that was set. Is the Government prepared to get a guarantee that that importation of U.S. coal with heavy sulphur content will be replaced by western coal by 1992? Is the Government prepared to make major changes to the freight rates as an incentive to bring about that very important development?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, because of the initiatives undertaken by the Deputy Prime Minister, there has been an increasingly large percentage of western coal used in the process. If there are continuing serious problems with Ontario Hydro, I know my friend will speak both to me and to the Member right behind him from Willowdale, and we will get this corrected together.

GOVERNMENT RESPONSE

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, the progress made to date has been one research project worth $800,000. I am talking about a $1 billion commitment that would bring about the movement of close to 10 million tonnes of coal from western Canada so that Ontario Hydro can meet emission standards in just over two years. That requires a commitment from the Government of Canada to deal with the transportation problem primarily dealing with freight rates which are presently allowed for lumber and grain. It is cheaper to bring coal from Wyoming than it is to bring it from Alberta. Will the federal Government take an initiative to change that situation so we can solve the acid rain problem and help western Canada develop at the same time?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, while I appreciate the Hon. Member's interest in this very important issue, I should remind the House that the Hon. Member was a Member of a Government which did absolutely nothing during its term of office to promote the use of western coal.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: Furthermore, he was the Transport Minister at that time and he did absolutely nothing.

There has been, through the task force that was put together, a tremendous amount of progress made. I would ask the Hon. Member to check with the Premier's brother who will indicate, I am sure, that the level of western coal that is being consumed by Ontario Hydro in the Province of Ontario has increased substantially. Yes, there are a number of pilot projects which are being funded which I hope will improve and encourage further the use of that coal.

* * *

[*Translation*]

FINANCE

IMPACT OF NEW SALES TAX

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Finance. This Government's financial genius has announced a new sales tax that will put an additional tax burden of $1,000 on the average family, increase the inflation rate by 3 per cent, increase the number of unemployed by 70,000 and,

according to a report released today, will also increase the number of tax collectors by between 5,000 and 25,000. Is this true?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I know the Hon. Member likes to ignore things that have been said in the past, but let me just remind him that the NDP tax probe of 1986, when he was the Leader, said, "As well, our analysis had led us to conclude that the current federal sales tax is so unfair, unaccountable and administratively complex that it should be abolished".

Some Hon. Members: Hear, hear.

Mr. Wilson (Etobicoke Centre): The fellow who is sitting right behind him said, "Our sales tax system is a total mess". His finance critic in the last Parliament said, "The present sales tax is a bad system and should be abolished. I accept that one alternative is some form of value-added tax such as is being proposed by the Minister of Finance".

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): I cannot be precise about the answer to the Hon. Member's question. The Minister of National Revenue is reviewing this matter. Some of those estimates are wildly out of line, but we are reviewing this matter and some time in the next few months, we will be able to give the Hon. Member a precise answer.

Mr. Broadbent: Mr. Speaker, it took the Minister five minutes to deal with irrelevant matters and then he came around to answering the question.

Some Hon. Members: Oh, oh!

GOVERNMENT RESPONSE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister might have added that he also said that any reformed tax should be revenue neutral, and unlike the Minister of Finance, we would stand by our promise. He promised that but he brought in one that was not revenue neutral. We also called for corporate tax reform including a minimum tax which the Minister of Finance also ignored. Don't give us your baloney and answer the question, how many new tax collectors—

Mr. Speaker: The Hon. Minister of Finance.

• (1430)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Leader of the New Democratic Party made some observations. I do not know that he put a question, but let me comment on a couple of his observations.

He talked about revenue neutrality. I have made it very clear, and I will make it clearer when the technical paper comes out, that the new tax will replace the existing tax. It will bring in and finance some income tax offsets that will be particularly helpful to people in lower and middle income brackets. After that there will be no additional moneys for the Government of Canada. That will be set out very plainly later on this month.

The second point the Member talked about was corporate tax reform. We did reform the corporate income tax system. It was brought into play last year, and we have seen a significant increase in the amount of corporate tax revenues. In addition, in this Budget we brought in a large corporations tax which I have yet to hear the Hon. Member saying is a good thing. It raises a billion dollars from his friends in the corporate community.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Oh, boy, you are going to bring a tear to my eye.

Some Hon. Members: Oh, oh!

Mr. Broadbent: There are, Mr. Speaker, some 86,000 companies that made profits last year which don't pay a penny in tax. That is the reality.

GOVERNMENT RESPONSE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would like to ask the Minister of Finance a supplementary question.

We have a genius package of taxes including this new sales tax which the Government is going to bring in. The sales tax is going to increase unemployment by 70,000, inflation by 3 per cent, add $1,000 a year to the tax bill of the average family, and now, according to this report, add some 5,000 to 25,000 tax collector jobs here in Ottawa. Is this the Government's view of justice or economic insanity? Will the Government come to its senses and withdraw this tax now?

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, when the Hon. Member talked about this corporate minimum tax and 86,000 companies that are paying no tax, let me remind him that the large corporation tax applies to all the largest corporations in Canada. There are 3,600 of these. Where are the other 86,000? They are small businesses. They are businesses that are spread all over this country in small communities, communities very heavily involved in the resource sector that are very cyclical.

Mr. Broadbent: Baloney.

Mr. Wilson (Etobicoke Centre): The Hon. Member says "baloney." If the Hon. Member knew what he was talking about on this, he would not raise this whatever because it is going to destroy employment in all of the small communities right across the country. If we have a corporate minimum tax that is exactly what it will do.

Let me also comment on another point the Hon. Member made. He says that this is going to raise the tax bill by $1,000. Where did he get that information? Is this out of the New Democratic research organization? We have said that families earning less than $30,000 a year will be better off after this tax reform.

Some Hon. Members: Hear, hear!

* * *

THE BUDGET

SECURITY OF BUDGET PROCESS

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is also for the Minister of Finance. It is about the budget leak.

An Hon. Member: Not again.

Mr. Kaplan: For weeks the Minister has been refusing to answer questions about the security of the budget process, and he has been using the police investigation as an excuse.

This morning the Deputy Commissioner of the RCMP confirmed that, in fact, the security arrangements were not under investigation by the RCMP. The RCMP reported that there were conflicting reports on that subject. The Deputy Minister of Supply and Services says that the security arrangements are now under review.

In light of this, why has the Minister been refusing to answer questions about security except to say falsely, as it turns out, that the leak did not result from negligence, carelessness, or lack of proper security arrangements?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am not sure what the Hon. Member's question is. We have said on a number of occasions that we review the security procedures on an ongoing basis. Where it is possible to improve these security procedures, we are doing so.

I should say to the Hon. Member that we have under way an extensive review to make sure that things are going to be improved where it is possible to do so, and that will take place in time for the next Budget.

Mr. Kaplan: Mr. Speaker, that does not sound like the Minister who said in the House, as reported at page 1005 of *Hansard*, "that the violation did not result from negligence, carelessness or lack of proper security arrangements", although that may well have been so.

TIMING OF LAYING OF CHARGES

Hon. Bob Kaplan (York Centre): Mr. Speaker, I have a supplementary for the Minister of Justice.

This morning the RCMP also confirmed that in fact it had sought and received advice from federal Justice officials, federal Justice officials, in deciding whether the public interest would be affected by laying charges against a journalist.

In the light of this honest statement by the RCMP, why has the Minister been giving us only the half-truth that the charges were laid after consulting with law officers of the provincial Government in Toronto?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I made it very clear that the RCMP consulted with the law officers of the Province of Ontario. The law officers of the Province of Ontario asked for discussions with Justice officials.

I note my hon. friend said "in deciding". In my hon. friend's question he used the term "in deciding". It is very clear that it was the RCMP that made the decision to lay the charges after consultations.

Mr. Milliken: After consultations. That is right.

OCCUPATIONAL HEALTH AND SAFETY

CLOSURE OF CENTRE—GOVERNMENT POSITION

Mr. George Proud (Hillsborough): Mr. Speaker, my question is for the Minister of Labour regarding the Canadian Centre for Occupational Health and Safety.

Canadian occupational health and safety statistics are alarmingly high. One statistic shows that more than 800,000 work days are lost annually to disabling injuries. Given this astounding figure and given the fact that the Government will cut $1.5 million from the centre's funding this year, why is the Government saying that the centre will close unless it becomes self-financing?

Hon. Jean Corbeil (Minister of Labour): Mr. Speaker, I would like to thank the critic from the Liberal Party, the Hon. Member for Hillsborough, for asking this question. I think it is very important that we state categorically that the centre is not going to close.

It has been very successful since its inception ten years ago in collecting and disseminating worth-while information about safety in the workplace. We are definitely going to see that that the centre will maintain its very worth-while operations.

Some Hon. Members: Hear, hear!

RIGHT OF CANADIANS TO INFORMATION

Mr. George Proud (Hillsborough): Mr. Speaker, my supplementary is for the same Minister. It again concerns the centre. The centre was established in 1978 to "promote the fundamental right of Canadians to be provided with health and safe workplace information", as he said. The Minister himself has said that the centre has "been doing good, useful work and that it should continue."

Is the Minister now saying that the fundamental right of Canadians to this information will be sacrificed for the sake only of deficit reduction?

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Jean Corbeil (Minister of Labour): Mr. Speaker, I would like to point out that since it was established and during the six years the Opposition party was in power, the Centre received $20 million in financial support, an average of $3.3 million per year.

Since this Government came to power, the Centre has received $40 million over a period of five years, which breaks down to $8 million per year. I think that shows this Government's concern for the health and safety of our workers, and we have simply asked the Centre to continue its cost recovery policy which it started to implement three years ago.

In the course of discussions I had with representatives of the Board of Directors and the Director General of the Centre, it was established that there were many ways in which the Centre could become self-financing within the next few years.

* * *

• (1440)

[*English*]

FREE TRADE AGREEMENT

MAQUILADORA PROGRAM—GOVERNMENT POSITION

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, my question is for the Minister for International Trade, and it is related to the Maquiladora program of manufacturing goods in Mexico, trans-shipping them back into the United States, and importing them into Canada under the Free Trade Agreement.

I would like to bring to the attention of the Minister the following notice given to the employees of the Bovie Manufacturing Company of Lindsay, Ontario. I will read a couple of paragraphs which state:

> The Mexicans are waiting.
>
> Your strike vote last night means as soon as you go out, the Mexicans will get your jobs immediately.
>
> You may lose 8-10 weeks more wages as you cannot apply for UIC while on strike—
>
> However, if you work until the end of our coverall and lab coat contract, which will be approximately the end of April, and we lay you off, the waiting time is only two weeks.
>
> Remember, if you strike, there will be no job for you to come back to.

Mr. McDermid: Who wrote that?

Mr. Barrett: The management of this company sent it to its employees as a threat as to where their jobs would go.

Has the Minister taken steps to prevent Canadians companies using the Maquiladora program, an agreement between the United States and Mexico that allows the use of Mexican labour to produce goods without

tariff coming into the United States and then trans-ship them into Canada as American goods. What is the Minister going to do about it?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, it was about a year ago when the first false report of the threat from the Maquiladora program was uttered by a Liberal supporter, so the Hon. Member is a year behind the Liberals, and he is 100 years behind the truth.

The situation is the following. Under the Free Trade Agreement there are clear rules of origin so that any goods assembled or produced in Mexico in that manner would not meet the rules of origin and could not be admitted duty-free or whatever to Canada. That is quite clear.

The hon. gentleman should do a little research before he rises in the House and makes such silly statements.

GOVERNMENT RESPONSE

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, far be it from me to embarrass one of the rare breeds, a Tory from Newfoundland.

The date on this memo is February 23, 1989. The contract referred to is a contract that the goods will still be shipped back into Canada. To fill the existing contract, the goods will still come back into Canada.

It is the Minister who is out of touch. He has only five people in his whole Department to monitor this. The goods are coming back because only five people cannot investigate all those goods. Why does the Minister ask the companies to do the self-complying? Why is the Minister not complying?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, there have been Tories coming into this House from Newfoundland since 1949, while Members of the NDP have been constant shrinking violets. Now they are not even shrinking. They are not even around any more. There are not any of them in the House.

With respect to the supplementary question asked by the hon. gentleman, you had to be a genius to figure out what the question was, by the way, Mr. Speaker—

Mr. Speaker: Perhaps the Hon. Minister could do his best.

Mr. Crosbie: Mr. Speaker, I have to agree that I flunked out on being a genius.

* * *

THE ENVIRONMENT

U.S. ACID RAIN LEGISLATION—GOVERNMENT POSITION

Mr. Stan Darling (Parry Sound—Muskoka): Mr. Speaker, yesterday the great majority of Canadians were delighted to hear the news when President Bush announced the proposed acid rain control legislation.

I am sure the Secretary of State for External Affairs and his officials will have a great deal to do with the process. I wonder what are the implications for him in his position and his officials?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, let me begin by expressing my appreciation, and I am sure that of other Members in the House, to the Member for Parry Sound-Muskoka for his active interest and leadership.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): This has been a long fight for Canada waged particularly vigorously over the last four years.

As the Prime Minister indicated, we will be watching very closely the details of the legislation when it comes in. We will be consulting with Senator Mitchell when he is here next week. We will continue to apply the same determination to ensuring that Canada's environment is protected from this point forward that helped contribute to the announcement by President Bush yesterday.

* * *

[*Translation*]

FINANCE

EFFECT OF NEW SALES TAX ON SMALL BUSINESSES

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, my question is directed to the Minister of Finance.

As of January 1, 1991 and thanks to his new sales tax, two-thirds of Canadian small businesses will be on the federal sales tax roll.

Under the present auditing system, there is one auditor for source deduction, one auditor for sales tax, one auditor for federal income tax, and if we add all the provincial acts and workmen's compensation boards, small businesses spend one-third of their energy responding to audits by various governments.

Could the Minister of Finance give us the assurance, once his new sales tax is introduced, that there will only be one audit at the federal level? I know he doesn't control the provinces, but could he at least give us the assurance that there will be one federal auditor, so that small businesses and businessmen can concentrate on running their operations and producing jobs?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member has identified an area that we have been quite concerned about as far as the proposed sales tax reform has developed.

If the Hon. Member would refer to the top of page 26 of *The Goods and Services Tax* booklet, he will see identified a number of areas that we are proposing to introduce with the goods and services tax proposal that will reduce the compliance burden for the small business community. These have been discussed at some length with the community itself. We believe that this will go a long way to answering the concerns that have been expressed by them.

FEDERAL SALES TAX REFORM—AUDIT SYSTEM

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, if we had to rely on the first phase of tax reform to reduce the paper burden. Small business is concerned about the second phase of tax reform. The Canadian Federation of Independent Business has demonstrated very clearly that it is against this tax because it will complicate the lives of those in small business.

Will the Minister of Finance commit himself and his Government today that, with the introduction of the new federal sales tax, we will have one system of auditing so that we can assure Canadians who want to start their own small business that they will get relief from routine and almost daily inquisition by the Department of National Revenue?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am sure the Hon. Member is not suggesting that we continue with the existing sales tax.

Mr. Gagliano: I am talking about auditing. Do not change the subject.

Mr. Wilson (Etobicoke Centre): I think the Hon. Member is agreeing with me—

Mr. Gagliano: I am not agreeing with you. You know better than that.

Mr. Wilson (Etobicoke Centre): —that we should not stay with the existing sales tax because it is a very complex tax for those companies that are participants in that system.

There are 22,000 separate agreements with the 75,000 taxpayers in the existing federal sales tax system. That indicates how arbitrary, complex, and difficult it is for those businesses to comply.

We believe that the proposals we set out in the document we released six weeks ago, which will be broadened with the technical paper that comes out in a few weeks' time, will show very clearly how much we are concerned about this and to what lengths we have gone to reduce the compliance burden for the small business community.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF GILBERT CLEMENTS

Mr. Speaker: I wish to draw to the attention of Hon. Members the presence in our gallery of the Hon. Gilbert Clements, Minister of Finance and Environment, Prince Edward Island.

Some Hon. Members: Hear, hear!

* * *

• (1450)

FINANCIAL INSTITUTIONS

AMERICAN EXPRESS—GRANTING OF BANK LICENCE

Mr. Jim Peterson (Willowdale): Mr. Speaker, my question is to the Minister of Finance. The Minister knows that he has broken five of his Government's nine guidelines in promising to grant a Canadian bank licence to American Express. No Canadian bank would get similar treatment in the United States. No foreign applicant has ever been granted this type of special treatment before. Why the special treatment for American Express?

[*Translation*]

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, I would like to point out to the Hon. Member that in the case of American Express, we are talking about an internationally- known financial institution. Since mid-1986, this institution has been involved in discussions with the Office of the Superintendent of Financial Institutions, to consider what it must do to meet our standards. So if American Express, as the Hon. Member said, is not regulated in the United States, its bank will be, in Canada, at the appropriate time. We also indicated, in order to enable Parliament to discuss these regulatory proceedings, that we would postpone the granting of letters patent to American Express until after the new legislation of financial institutions has been introduced and debated in the House.

[*English*]

REQUEST FOR CONVERSATIONS WITH AMERICAN EXPRESS OFFICIALS

Mr. Jim Peterson (Willowdale): Mr. Speaker, my supplementary question is also for the Minister of Finance.

The Minister knows that his officials quite properly held up this request for more than 24 months. The Minister himself was so ashamed of this deal that his Order in Council was held up until the final hour, November 21, 1988, election day.

Some Hon. Members: Oh, oh!

Mr. Peterson: Mr. James Robinson, Chairman of American Express, coincidentally led the pro-free trade lobby in the United States during Canada's last election.

In light of all these unusual circumstances, will the Minister commit to us and to all Canadians that he will make public all conversations that he or the Prime Minister has had with James Robinson or other American Express officials, conversations leading to this unprecedented deal for special friends?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have had no conversations with Mr. James Robinson or any other American Express officials.

The work that was done was done in the Office of the Superintendent of Financial Institutions. As my colleague has said, this particular series of discussions goes back to early 1986, I believe it is, well before the Free Trade Agreement. It was a complex set of discussions. It was for that reason that the negotiations took a long period of time.

FISHERIES

FISH PROCESSING REGULATIONS

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, I have a question for the Minister of Fisheries.

Representatives of more than 35,000 fishing industry workers from both coasts are here today to defend their industry and to support the long-standing requirement that Canadian caught fish be processed in Canada. On November 17, 1987, the Minister of Fisheries said:

> I give you my assurance those jobs are saved.

Eighteen months later every major fishing industry spokesman states that jobs will be lost. Gutting of the east coast fishery is not far behind.

Will the Minister of Fisheries today repeat his guarantee that no Canadian fish workers will lose their jobs as a result of this Government having put in Canada fish processing regulations on the free trade chopping block?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I think it is unfortunate that the Hon. Member, who is the official fishery spokesman for the New Democratic Party, would raise this kind of alarmist charge in the House of Commons.

Mr. Stupich: It is your statement.

Mr. Siddon: Mr. Speaker, it is passing strange that he has not made such assertions in the many months that he served as critic.

Some Hon. Members: Oh, oh!

Mr. Siddon: In fact, the new landing regulations which were the product of extensive consultation with the west coast fishing industry are designed to enhance and preserve the integrity of our management system for the Pacific salmon and herring industry. These measures are GATT consistent and will be proven to be so. They will preserve the jobs and the long-term integrity of this important resource into the future.

Mr. Stupich: Mr. Speaker, I will not say that the Minister was not here when I raised this issue previously, but I will say that another Minister responded on his behalf.

Some Hon. Members: Hear, hear!

ENFORCEMENT OF LANDING REQUIREMENTS

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, the Minister's own estimates acknowledge that the Department does not have sufficient numbers of inshore and coastal vessels to carry out enforcement on either coast.

Today we learned that the tracker aircraft fleet that patrols the Atlantic fishery is being phased out. How can the Minister of Fisheries expect that his limited landing requirements will work when patrols are inadequate? Without effective surveillance, how can he ensure that there will be no direct sales to Americans on the fishing grounds?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Once again, Mr. Speaker, the Hon. Member who should know better spreads alarm and exaggeration with respect to the commitment of this Government to provide adequate support scientifically, enforcement-wise, and management-wise for the fisheries of both coasts.

It is for that reason that we have increased the budget of the Department of Fisheries and Oceansin these difficult economic times from $600 million a few years back to well over $750 million, increased enforcement on the Pacific coast from 100 officers in the early 1980s to well over 150 officers, and added helicopters and fixed wing aircraft patrol flights which were never previously operated to manage and enforce our coastal fisheries properly.

* * *

TRANSPORTATION

FEDERAL ASSISTANCE IN ROAD CONSTRUCTION

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, my question is for the Minister of Transport. The Minister said in an article in *The Ottawa Citizen* on June 8 that the federal Government may hike funds for road construction.

Will the Minister give this House and all of Canada the assurance that he was serious in his statement to the press and that the provinces and the municipalities can now expect federal assistance in road construction?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I am always serious when I make statements to the press or before the House of Commons.

What I said—and I repeat it today—is that we are working at the federal level with the provinces, with the CCMTA which is the group representing the Ministers of Transport of Canada, on a national highway system.

There are three or four different phases. The first was in 1987-88. We are working on another one. Of course we considered, as much at the provincial level as at the federal or national level that something could be done in terms of a highway system. It did not involve at that time, however, putting in more money this year or next year. It was a question of defining the national highway system and working with the provinces to do so.

OTTAWA-HIGHWAY 401 LINK—FEDERAL FUNDING

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, I have a supplementary question.

Based on that answer, based on the article in *The Ottawa Citizen*, and coupled with the Ontario Government's announcement in *The Brockville Recorder and Times* yesterday that a four-lane highway from the nation's capital to Highway 401 would become a reality much earlier than expected, with the early engineering studies starting this year, will the Minister give his assurance that the federal Government will contribute to the funding of this $340 million project which will facilitate traffic flow in and out of the nation's capital?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I am very sympathetic with the Government of Ontario, but I would like to remind my friend that the Government of New Brunswick has put forward a program for $1.6 billion. We have said that it has to be seen within the national perspective.

I cannot give any commitment to the Government of Ontario today other than to say that we all are working together on a national highway policy. We consider that it will be a part of the national transportation policy in the future. However, we could not commit any money and my friend will understand that. Looking at the transportation system in this country, the Government in

Ottawa is not ready to commit more money to this when we have to deal with our own obligations.

• (1500)

* * *

THE BUDGET

LOWERING OF INTEREST RATES

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, my question is directed to the Minister of Finance. In my riding there are 25,000 senior citizens. Many of them are suffering because of the Budget. According to the Minister's own Budget documents, if interest rates were lowered by 1 per cent, the deficit would be reduced by $1.6 billion. Senior citizens in Canada earning less than $20,000 are paying $567 million in income tax. If the Minister were to request that the Bank of Canada lower the interest rate by one-third of 1 per cent, it would then give seniors a tax free revenue of $20,000. Does the Minister not think this is a better use of resources?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, certainly I think we should look to the Hon. Member for advice on this because I believe he was an adviser to the previous Government when interest rates hit 25 per cent. He is an expert on high interest rates.

The point that he is raising is a serious one. We want to get interest rates down in this country. We made that very clear in the recent Budget. We also said that the Budget itself was designed to give the Governor of the Bank of Canada the scope to reduce interest rates. It is precisely for that reason that we feel we must get the deficit down, so we can get a better balance between interest rate policy and budgetary policy. That is the overriding objective. If we can get the budget deficit down we believe we will see lower interest rates.

Mr. Speaker: The Hon. Member for Nickel Belt on a single question.

* * *

HOUSE OF COMMONS

CODE OF ETHICS FOR MEMBERS OF PARLIAMENT

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Prime Minister. It concerns the question of ethics.

It is reported in today's press that a former aide of the former Tory M.P. Edouard Desrosiers has sworn an affidavit that other Members of Parliament have stolen federal research funds. That casts a pall on all Members of the House.

I want to ask the Prime Minister how soon we can expect from his Government an ethics package that was promised to Parliament and the people of Canada? As long as this kind of charge is left on the record it is a cloud over all Members of the House.

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, the Hon. Member is referring to some very serious allegations which may, in fact, affect all Members of this House. I strongly advise the Hon. Member and all our colleagues that, if they have any knowledge of any actions that may be inappropriate, they have as we all do a duty to transmit all this information to the RCMP so that it can investigate specific cases. I think that is the duty of all the Members of this House.

* * *

[*English*]

POINT OF ORDER

COMMENTS BY MEMBER FOR BEAVER RIVER

Miss Deborah Grey (Beaver River): Mr. Speaker, in my office earlier today I caught the exchange between the Parliamentary Secretary to the Government House Leader (Mr. Cooper) and the Whip of the Official Opposition. The Opposition Whip and, I must add, the Table, were perfectly correct. My votes in *Hansard* yesterday are recorded as I intended, yea on the first vote, and I was going to abstain on the amendment and the second vote. I certainly apologize to the Government if my wording confused it.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—POST-SECONDARY EDUCATION

The House resumed consideration of the motion of Mr. Duhamel:

That this House call upon the Government to take steps to enhance the federal commitment to the support of post-secondary education, scientific and technological development, job training and re-training and the battle against illiteracy, all of which provide the essential foundation for building a strong and competitive future for Canada.

The Acting Speaker (Mrs. Champagne): When the House rose at one o'clock, the Hon. Member for Halifax (Ms. Clancy) had the floor.

Ms. Mary Clancy (Halifax): Madam Speaker, while the financial gain regarding funding for universities has been unfolding, there has been no concomitant re-assessment of our social policy regarding tertiary education. In integrating university education into our policy web, increasingly the Government has begun to equate accessibility to university with universal programs.

The truth is that universities are selective. But they are selective on the basis of aptitude and ability, not on the false premises of wealth, position, sex or cultural background. Every Canadian does not want to go to university. Not every Canadian can or should graduate from a university. Universities are charged particularly with the creative process of education and must be the trustees of change. People still fail to accomplish what universities expect of them, and that is as it should be. That is why we have developed alternative forms of post-secondary education.

In creating the rhetoric of accessibility and social rights with reference to university education, however, we have lost this perspective and come seriously close to undermining the capacity of the institutions to deliver the calibre of education which is fundamental to our future. A part of this argument deals with institutional autonomy which in some minds is in conflict with accountability. Some people are dedicated to proving that the two are not mutually exclusive and that autonomy does not imply licence. Rather, institutional autonomy reflects the need for a university to be free to foster creativity in every sector of endeavour.

It also means that universities must be free to maintain a critical mass of knowledge transfer. In other words, even if society thinks that the only need is for engineers, the university knows that a knowledge of history, of languages and of literature is fundamental to progress in any civilization. This is expensive. One of the best epithets I know comes from Derek Bok who said: "If you think education is expensive, try ignorance".

The other truth is that this kind of change cannot be manipulated or managed in the policy sense. You just have to ensure that the context for creativity exists. The creation of that context is not cheap, but it is not something which Canadians have ever balked at paying.

When I started university in 1966, we imported much of our professorate from the United States and we got the Grade B teachers who were not good enough for the Ivy League but fine for the colonies. This theme, unfortunately, has resurfaced and we now hear about the fact that we will not have enough home grown PHDs to staff our universities in the next generation. These cannot be created overnight unless we devalue the principles of credential, although there are a lot of creative possibilities for evolving our educational system so that it is more responsive to social needs and more fully integrated from one level to another.

There is a crucial need for a new national debate on education. The forum on post-secondary education held last year was intended to do this, but it fell far short of the goal. It did gather a lot of obvious representatives but it did not generate the kind of coverage needed by any of the participants and has not resulted in the kind of discussions that would lead to a re-assessment of where tertiary education fits in our social priority, let alone what it is.

Such a debate must be encouraged. It must be rigorous and critical. The rhetoric of the 1960s must be replaced by a fuller understanding of what the options and requirements are, including funding and a government commitment to supply that funding. We have to know the timeframes and the adaptations that universities are making to contemporary demands. As difficult as it is, we must come to some collective understanding of what we want the educated Canadian of the future to be. We need a strong co-operative plan of action and we need it now. We cannot afford budget cuts that threaten our educational and thus our cultural future.

Mr. Reid: Madam Speaker, as usual, I have listened with great interest to the comments of my hon. friend, the Hon. Member for Halifax (Ms. Clancy). Whereas in the past she has been correct, there is no sense to this nonsense, in this case she has made very good sense on a number points, particularly as she has rightly said that

there is much that must be done in this country in what I know as post-secondary education. Tertiary is another word over five letters and I am lost. Is it the same thing?

Ms. Clancy: Yes. Third level.

Mr. Reid: Thank you. The question we all face is having an education system that suits and meets the needs of a country that must grow technologically and must meet the demands of the future, with a workforce and population that has the capability of not only to deal with those challenges but increase our capability.

• (1510)

There has been some discussion of the Saskatoon conference which in itself was a landmark event in this country. While the Hon. Member points out that she would like to see perhaps more come from Saskatoon, or more come from another conference that would have followed on from Saskatoon, it is only fair to point out that there were a number of provinces in this country that objected to Saskatoon even happening.

It is a fundamental of our system that the provinces control education and not a situation which I particularly would want to change. The needs of the individual provinces vary greatly. The history, the culture and the educational demands are such that the provinces should maintain that control.

Recognizing that this is a very fundamental point to a number of provincial governments—perhaps not the Hon. Member's own but governments of some provinces—and recognizing that Saskatoon was a great step, I wonder if she advocates the use of the financial power, for instance, such as we use under the National Health Act, to bring provinces along or to bring provinces in line? If not, how does she reconcile the concern of Liberal governments across this country that the federal Government not meddle in any form of education, primary, secondary, tertiary or post-secondary? I would hate to find the Hon. Member buried in one of her own sepulchres.

Ms. Clancy: Madam Speaker, my hon. friend from St. John's East (Mr. Reid) made several very good points to which I would like to respond.

First, if he had been listening, he would have heard me say that the time has come for change which can only take place through sensitive negotiation between both levels of government as to the path which post-secondary or tertiary, whichever term you prefer, education will take.

My hon. friend also made note of the question of technology in the field of education. I would like to comment on that as well. I noted myself in my earlier comments that technology is the chic area for people looking at the post-secondary—I will use that term as opposed to tertiary today in deference to my hon. friend's sensitivities—but I remind him of the title of an old poem called, "Bread and Roses", and the fact that along with the bread of technology we need the roses of language, literature and other cultural and political pursuits. I would suggest that he not forget those.

I would also suggest to my hon. friend, as he comes from the same hard-pressed region as I do, that we have many universities in our Atlantic region. All of our universities are suffering. Yes, possibly too many. Certainly in my own riding, which has six universities and one on the outskirts, all of those universities play a unique role. There is indeed a place for each one of them. Every single one of them is suffering. They are suffering with physical plants that are falling apart. They are suffering with the highest tuition rates in the country. They are suffering with the lowest salaries for their faculty. They are suffering on research grants. They are suffering on equipment, et cetera. None of this is news to my hon. friend.

What I am saying to my hon. friend is that the time has come, if we are to have post-secondary education, education generally as a national priority, then we have to sit down and make a plan and see where we are going. It cannot be done by the provinces alone.

The Hon. Member's province cannot afford to fund post-secondary education, neither can my province, Prince Edward Island or New Brunswick. For the rest of the country, I am not sure. They have to look at their problems. I have looked at the ones in our region. Those are the realities which we face and we understand them.

To merely say that education is a provincial responsibility and not a federal responsibility and therefore put blinders on and no longer even look at the situation is to

abdicate our responsibility. I know that this is not what my hon. friend had in mind. It certainly is not what the Members on this side had in mind.

After eight years of teaching in a university, I have seen what the problems are, as many of my hon. friends on the other side have seen them as well. What we need is a sensible plan, one that which is sensitive to the problems—constitutional, physical, salary, et cetera—that assault our universities on a daily basis. This is not a partisan issue. This is an issue for the future of our country. It is one which needs action instantly.

The Acting Speaker (Mrs. Champagne): Resuming debate. The Hon. Member for York North.

Mr. Maurizio Bevilacqua (York North): Madam Speaker, the world is in constant change: *Glasnost*, Solidarity's election win in Poland, AIDS, reproductive technology, the recent student riots in China for democracy. At home we have free trade, our aging population and a post-secondary education system in serious trouble. Important developments in our nation, indeed our world, will experience many changes in the 1990s as we get ready to face the challenges of the twenty-first century.

It is ironic, therefore, that today in the House of Commons and the Parliament of Canada we are debating an issue which is so fundamental to meeting the future needs of this country that one would think that a government would have had the vision to address it before it became an issue on an opposition day in Parliament.

Clearly, the question we must ask is: What is our Government doing to prepare Canada to meet these future challenges? The answer, sadly, is: Not as much as it can and not nearly as much as it must.

Today, I speak to the motion which condemns the Government for its destructive and inadequate policies affecting post-secondary education, research and development, training, re-training, illiteracy and its failure to provide the necessary funding to these areas which are vital to Canada's future.

It is obvious from listening to the Speech from the Throne and the Budget that the current Government simply lacks the commitment and ability to summon a vision for Canada to carry toward the twenty-first century.

Indeed, the Government's vision of Canada at no time looks more than four years ahead to the next election. The Government's vision is a vision for Canada based on an electoral map.

The people of Canada are dealing with change. They want, need and expect government to lead the way. Education should be treated as a vital national and international priority. The relative economic strength of nations has always been determined by their ability to educate and train their people. That is truer today than it has ever been in the past.

Education is vital to Canada's future. However, you could never tell that by looking at federal Government policies and programs. Indeed, Canada's per capita investment in post-secondary education is less than it was five years ago.

Federal cuts in shared cost programs with the provinces have reduced funding to post-secondary education equal to the total budgets of the University of Toronto, the University of British Columbia, the University of Alberta, McGill and Dalhousie. When quality education is more important than ever, the federal Government has chosen to cut back. The Government must begin to wake up to the reality of this nation and this world. Today we live in a technological age. Our economy is information-based and we do business in a global market-place.

Canada's youth today must have a future and must be able to deal with the challenges of the global village. Regardless of their chosen field of study and career orientation, our youth must be well educated and have a thorough understanding of the math, science and technology and, at the same time, a knowledge and awareness of the humanities and social sciences. As the countries and markets draw closer and closer together, communication among people becomes more and more important. Our young people must be able to communicate so that our message does not get lost.

When we consider the unbelievably fast pace that this world is moving in, the increasing flow of information, goods and services, financial transactions among nations, continuous flow of discussion, debate, compromise, agreements between nations, it is only logical that the nation which better trains, educates and provides opportunity for higher learning will undoubtedly have an economic, social, cultural and political advantage. Investing in our universities is absolutely crucial to meeting

the demands of the global village, the village whose reality must be addressed in a serious way.

• (1520)

When we think of post-secondary education, we must realize that it is the way to open doors for future generations. We cannot build a strong, prosperous society in financial, social and cultural terms if we as a people are not able to understand the world around us. Post-secondary education gives our people the opportunity to become more and more masters of our own destiny. As a country, we must realize that knowledge is power and it is extremely necessary in maintaining self-determination as a nation in global affairs. An educated people is the answer to the challenges facing us today and in the future.

My concern is that we are not doing things we have to do to ensure Canada's ability to master the challenges it faces. The Government's answer to this reality that I expressed earlier is the following: Despite the obvious economic and social benefits associated with a highly educated population, Canada's universities are currently experiencing severe financial problems.

In 1986, the Government passed Bill C-96 which reduced the growth rate of transfers to the provinces by 2 per cent over five years, 1986-1987 to 1990-1991. The Government would have saved approximately $5.7 billion. The portion of financing for post-secondary education that was to be cut amounted to $1.6 billion. As if that were not enough, the Tory Government, beginning in 1990-1991, will further reduce the growth rate of the Established Programs Financing transfers to the provinces by 1 per cent.

Given the free trade deal environment and the need to be able to compete with our neighbour across the border—indeed everyone in the global market-place—we must for all the more reason be sure that we have a well educated workforce and a competitive economy. All this occurs at a time when enrolment and the need for post-secondary education is at its peak.

In the near future in Canada, almost half the new jobs will require more than five years of combined education and training above and beyond high school. Reduced funding for post-secondary education will seriously threaten its quality and accessibility. Without increased government support for post-secondary education and the development of strategy for post-secondary education and training, our youth will not be able to face the challenges of the years to come. Rather than compete in the world, we will slowly fall farther and farther behind our competitors, such as the United States, West Germany and Japan.

Disorganization and lack of leadership has marked the Tory Government's attempt to deal with the deficit crisis. What has happened now is that our youth have to pay for it. The deficit, in budgetary terms, is obvious to all. Now what has become also apparent is a deficit of solutions. Future accessibility to our universities is in jeopardy.

I would like to conclude my remarks by requesting that the Government fulfil immediately its promises to provide sufficient increased support for post-secondary education, research and development, training and retraining programs which constitute the cornerstones of a strong, competitive Canadian society. I want to give back to young Canadians the dreams of our forefathers, the dreams and goals that brought people to this country and made us a great nation: The dreams of freedom, dignity, fulfilment and perhaps the greatest dream of all, the dream of equality and accessibility. Equality and equal opportunity to learn, equal opportunity to work and equal opportunity to succeed.

Thus, I call on the Government and my colleagues to recognize the importance of this issue. We cannot go from here where we want to go and where we want to be unless we begin to put programs in place and into effect and realize the importance of post-secondary education.

We are a resource rich country here in Canada, but the greatest resource of all is our people, especially our youth. It is now time to make education the number one priority. We cannot afford to block the major artery to Canada's future.

[*Translation*]

Mrs. Duplessis: Madam Speaker, I would like to congratulate the Hon. Member for York North (Mr. Bevilacqua) for taking part in the debate and I would like to remind him that it is not only a question of money, because he stressed the reduction in transfer payments. As far as my department is concerned, the Department of Science and Technology, I think that we have done a lot. His colleague just said that we had to change. I think that the change has begun, because the Minister of Science and Technology and all the other ministers of science and technology throughout the country have signed a policy to train all young people across the land, so that in all provinces, young people will have an equal opportunity, all Canadians will have the same chance to

enter useful occupations that can improve the quality of life for Canadians.

I would like to point out to my hon. colleague that this national policy that the ministers of science and technology adopted involves asking industry to cooperate much more in training young people to meet the needs of industry.

We have noticed, Madam Speaker, that students naturally go into the social sciences and humanities; they go more for medicine than for science. On the other hand, we have noticed that what sometimes gives other countries an advantage over ours is that many more people go into scientific disciplines, Madam Speaker.

I would therefore like to ask the Hon. Member for York North what evidence he has to support his statements that we are not interested in university research, when the facts speak for themselves.

[*English*]

The Acting Speaker (Mrs. Champagne): I think the Hon. Member meant to ask a question of the Hon. Member for York North.

Mr. Bevilacqua: Madam Speaker, what really concerns me about the question and the comments made by the Hon. Member is that they are focusing into a particular area. However, I think that my speech was all encompassing as far as a philosophy and as far as a method and a vision for education as it relates to building our country.

The Hon. Member stated that in other countries there is a certain focus given to an education policy. I think that the most important thing is that students should also have the liberty to choose exactly what they want to do. To the point raised by the Hon. Member, if that is indeed the direction that this Government would like to take, then why have we not seen, for example, the development or any talk of a national apprenticeship program on that side of the House? As you know, in the past election, the Liberal Party of Canada went right across the country stating that we indeed require a national apprenticeship program. So I think that we are in agreement.

We can speak of certain issues and what we have done in positive ways, but the reality is that this Government has developed a tunnel vision approach when it comes to the deficit. In reality, what it is really concerned about is the deficit of solutions and deficit of ideas to address the problem of the deficit. The reality, as I said earlier, is the fact that transfer payments to the provinces have been decreased once again. As I have mentioned, to the tune of almost $1.6 billion for education. So you cannot as a Government begin to take credit for a very small portion of the program on the one hand while on the other hand leaving some people out in the cold and not allowing them accessibility to a post-secondary education. We as a people and as a Government have a moral obligation toward students and young people. I think that post-secondary education should be looked at as a right, not a privilege. It is a right of citizenship. That is the way in which we as a country should be directing our resources in terms of our vision of Canada.

• (1530)

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Madam Speaker, I am pleased to have this opportunity to speak on the Government's commitment to support post-secondary education and literacy. It is my first opportunity in this session to address the House. It gives me an opportunity to reflect quietly on November 21 and the visions set out by the Prime Minister (Mr. Mulroney) that day, his concerns for continuing to build a caring society, the vision for the future and the pathway to the 21st century. It also gives me the opportunity to say how pleased I am to be the Member of Parliament for Pierrefonds—Dollard, encompassing the cities of Ste-Geneviève, Île-Bizard, Dollard-des-Ormeaux, Pierrefonds and Roxboro the so-called North Shore area of the West Island. Also, I would like to say how pleased I am to be able to work on behalf of and with the Government in areas of restoring and giving greater equality and social justice.

Yes, there was restraint. Yes, we did share the burden. Yes, we did believe that we could not continue to pass on the debts to future generations and that we had to do something about them now. However, we have a considerable program available—and some $450 million for

these programs of equality and social justice in the areas of official languages, women's programs, minority and cultural communities and natives. In fact, we will be having more program funding for the disadvantaged and the doubly disadvantaged. Certainly, we are touching on one of those areas today. Thus I am very pleased to have this opportunity to be before the House today.

Our record is a solid one in both the areas that we are discussing today, our commitment to post-secondary education and literacy. As I will show, we have maintained and enhanced our support to all aspects of higher education and literacy because we understand the importance of Canada's human resources, both to our social and to our economic development.

Our basic commitment was set out in the Throne Speech of October, 1986. It is one from which we have not deviated.

We said then that the Government was committed to supporting with the provinces and the territories a system of post-secondary education based on excellence and equality of opportunity. These twin themes of excellence and equality of opportunity run through the initiatives we have taken to support higher education for the past few years. As well, they are the basis for our continued commitment to co-operation with the provincial Governments and for the funding we provide through federal-provincial transfers.

I might just quickly note that I kept hearing from the Hon. Member for York North (Mr. Bevilacqua) about decreases. I do not know how more money can ever be a decrease. To me, more money is always an increase. We are maintaining our commitment to support post-secondary education. Our transfers for PSE and health will increase by $1 billion from 1989-90 to 1990-91. Over the next five years the EPF will provide $25 billion more than over the past five years. That is an increase in any language.

I would now like to give an overview of the federal role in providing financial support to post-secondary education. This has evolved over time and now encompasses four main expenditure areas. They are contributions to the provinces and territories for general assistance to post-secondary education, usually called Established Programs Financing or EPF; support for research, some by federal Departments, but the bulk via the three research granting councils, the Natural Sciences and Engineering Research Council, the Medical Research Council and the Social Sciences and Humanities Research Council; student financial assistance, primarily by means of the Canada Student Loans Program but also through awards provided by a variety of federal Departments and agencies; and other direct federal responsibilities such as the higher education of Armed Forces personnel, of inmates in federal correctional institutions and of Canadian Indians and Inuit.

For 1989-90 it is estimated that the total amount of federal government support in these four areas will be in the neighbourhood of $7 billion. When one considers that Canada now spends over $12 billion annually on post-secondary education, the significance of the federal government support becomes readily apparent.

About 75 per cent of the $7 billion is provided to the provinces and territories by means of tax and cash transfers under the EPF. There was some element of doubt expressed by Members opposite as to where we stood in terms of the world, with respect to how we were competing aggressively and competitively with the world about us and in terms of how we were maximizing the use of our human resources. From what I have been advised, we are second in the world in terms of PSE participation, close behind the United States. We are one of the three highest countries in terms of education spending, very close to Sweden and The Netherlands.

We must, of course, be concerned that we stay in the forefront of developed nations. That is why we are stressing post-secondary education based on excellence and equality of opportunity. Our program of Canada scholarships and centres of excellence, plus our support for granting councils are important contributions to excellence in science, research and higher education.

On the subject of EPF, I would like to stress that the federal transfers to the provinces for post-secondary education and health are not only very large, but are still growing substantially. Following the recent Budget, it is estimated that EPF transfers will continue to grow at a rate of nearly 5 per cent annually.

To be more specific, it is estimated that the total value of the EPF transfers for health and post-secondary education will be $19.8 billion in 1989-90 and $20.9 billion in 1990-91. EPF will provide $25 billion more to the provinces over the next five years than over the last five years.

Of these totals the federal legislation identifies some 29 per cent as being in respect of post-secondary education. Translated into dollars, this means that the post-secondary share of EPF is expected to be about $5.7 billion in 1989-90 and $6 billion in 1990-91, up from $4.2 billion in 1984-85.

[*Translation*]

In other words, federal contributions to post-secondary education are extremely generous and increasing steadily. In the same area, other major federal support programs were spared during the latest budget cutbacks, and I am referring to the Canada Student Loans Program, the Official Languages in Education Program and also the Canada Scholarship Program and the centres of excellence.

At this point, perhaps I may offer more detailed information that will give a clear picture of our commitment to supporting post-secondary education. In this respect, the latest updated information may be found in the 1987-88 Report on Federal and Provincial Support to Post-Secondary Education, tabled in the House on April 7 this year.

In addition to established programs financing, the federal Government provides financial support to the provinces and the territories so that they can pay the additional cost involved in maintaining and developing official language minority education programs and second official language teaching at all levels: primary, secondary and post-secondary.

• (1540)

Bilateral agreements, representing a total of $199 million in 1987-88, provide the framework for contributions made under the Official Languages in Education Program. These contributions total $57.2 million at the post-secondary level.

In addition to these contributions, the federal Government provides direct assistance to the provinces and territories. A total of $18.1 million has been granted for other activities such as the Summer Language Bursary Program and the Monitor Program.

[*English*]

With respect to student assistance, under the Canada Student Loan Act, the federal Government provides loan guarantees to post-secondary students with demonstrated need. The main feature of the Canada Student Loans Program is the fact that the federal Government pays the interest on these loans while the students continue full-time studies and for six months afterward. In 1987-1988, the total value of new loans was $589 million. The cost of interest on outstanding loans plus program expenses was $211 million in 1987-1988. In addition, the federal Government paid $77 million as an alternative payment to Québec as that province has always opted out of the program since its inception in 1964.

I would be remiss if I did not mention that a wide variety of federal Departments and agencies also provide scholarships, bursaries, fellowships and other support to post-secondary education students for a total of $143.4 million. The federal Government also provided close to $600 million in 1987-88 for university research, about $500 million of which went to the three research granting councils. The remaining sums came from the federal Departments and agencies that provided grants and contributions related to their own areas of responsibility by contracting out research required for their own internal purposes and by providing other research-related services.

Finally, in respect of its constitutional responsibilities for education, the federal Government spent a total of $104.1 million for its three military colleges, its Canadian Coast Guard college and for post-secondary education courses for federal inmates. As well, the Department of Indian and Northern Affairs spent $73.6 million in support of native post-secondary education in 1987-1988.

To summarize, the federal Government makes transfers to the provinces and territories under the EPF arrangements and the official languages and education protocols. It provides direct support to post-secondary students either through loan guarantees or awards such as scholarships and bursaries. Mainly through the work of the research granting councils, it provides support to university research and it assumes its own constitutional responsibilities for education.

[*Translation*]

The federal Government plays a very active role in this respect because it sees itself as a partner in supporting post-secondary education, and as such, it pursues the following objectives: to encourage institutions to offer programs and services that are in line with broad national objectives such as official languages, multiculturalism and promoting the status of women; to provide financial assistance to the provinces through the established programs financing system, enabling them to provide accessible and high quality post-secondary education; to provide financial assistance for research and development; and finally, to fulfil its own constitutional obligations with respect to the education of Native peoples, armed forces personnel and other specific groups.

In line with these broad national objectives, the Government, as I said earlier, maintains its focus on excellence and equality of opportunity.

I am sure Hon. Members will understand that, for the sake of Canada's future, we must do everything we can to help our colleges and universities aim for excellence in education. The future of our country is at stake, if we want to keep up with an increasingly competitive world.

Making post-secondary education accessible should also remain one of our major concerns. We already have one of the most open and most accessible systems in the world, and we must maintain our emphasis on equality of opportunity.

[*English*]

Let me outline some of the achievements of the Government in the field of post-secondary education over the past two years. We held the first national forum on post-secondary education, an historic collaboration of federal and provincial Governments with universities, colleges, the private sector and other interests. We organized, under the sponsorship of the Prime Minister the first national conference on technology and innovation, much of which was focused on the contribution of higher education and university research to Canada's competitiveness.

The Canada Scholarships Program has been introduced to encourage 2,500 of our brightest young men and women to enter science or engineering each year. The Centres of Excellence program will provide $240 million to support projects that will enhance our ability to compete internationally. Doubling the number of CIDA sponsored students and trainees will benefit both our own higher education system and the countries which receive our aid. Our support for a French language college in Ontario and le collège de l'Acadie in Nova Scotia will improve opportunities for francophones outside Quebec to study in their own language at the post-secondary level.

These examples show that the Government is already fully committed to supporting post-secondary education for Canada's future. Let me now turn to the Government's commitment to tackling the problem of illiteracy.

Illiteracy is a national problem. In every town and village, every region and district, every city and metropolitan area in Canada, there are men and women who cannot function in everyday life because they cannot read and write. Two years ago, Southam News commissioned a survey which revealed for the first time the full extent of illiteracy in Canada. I remember being shocked by the survey's findings. I know every Member of this House was equally shocked, equally dismayed and equally determined to end illiteracy.

[*Translation*]

Illiteracy is expensive! According to a study by a business task force, it causes annual losses of around $4 billion in the private sector and $10 billion in Canadian society as a whole.

However, the cost is highest at the personnal level: there are men and women who cannot read the newspaper or make sense of the bus timetable; they cannot take a full and active part in community life.

[*English*]

The road to literacy is one shared by all of us. The road to literacy is not followed exclusively by one level of Government. It is not followed by one political Party. It is not followed by the private sector alone. It is a road of partnership, of shared effort and of shared energy.

On September 8, 1988 we announced that the federal Government would be one partner among many in the journey on the road to literacy and we are working with many partners. Two weeks ago, the Government of the Province of Newfoundland and Labrador said in its Speech from the Throne that it was committing greater provincial resources to literacy. Advisory councils and task forces have been set up in Nova Scotia, Manitoba, Saskatchewan and British Columbia to work with the provincial Governments on literacy. Ontario, New

Brunswick, Prince Edward Island and the two territories have all increased spending on literacy programs.

• (1550)

[*Translation*]

Québec has passed legislation guaranteeing all adults the right to complete their secondary education. There is no limit on age or level of financing. This measure, which is unique in Canada, will help to increase literacy in the province.

[*English*]

I notice you signalling, Madam Speaker. I am deeply appreciative of having had an opportunity to work in these particular areas. The issue of literacy is an important one for all of us. We have now developed a very important partnership with the provinces, with those dedicated people who have worked in the field for countless years, very often strangers in the wind, looking for an oasis in the desert. We have been more supportive of those groups. We have found new partnerships to build on. We are now bringing forward initiatives with the business and labour movements and with the voluntary sector. Having 25 per cent of Canadians functionally illiterate is shocking, intolerable and it is something we must work to eradicate.

We will continue to do everything we can through the programs in my Ministry, programs that will be working to provide greater equality and social justice. We will do all that we can to make sure that this becomes a more open, more accessible, more understanding society and that we continue to be a country of freedom and opportunity which will continue to give all of the members of our community a full opportunity to participate. It is then and only then, Madam Speaker, that we can really take our place and say that ours is the great country of the 21st century able to challenge other countries of the world in the knowledge that we are much more effective and productive when we use the full capacity and full potential of all Canadians.

The Acting Speaker (Mrs. Champagne): Questions or comments? The Hon. Member for Prince George—Bulkley Valley.

Mr. Gardiner: Mr. Speaker, I thank the Minister for his comments. I have a brief comment to make and a question to put to the Minister.

The Minister will know that I forwarded to him earlier in the year a report that had been prepared by residents of the Prince George, B.C. area who are arguing for a university in that community. I will be making some comments on that later in the afternoon. I appreciated the information which the Minister provided to me.

My question relates to the transfer payments to the provinces. There have been allegations, perhaps across the country but certainly in British Columbia, that the provincial Government has perhaps used those funds since they have not been, as has been put, tagged to be spent on education and health care. In fact, in British Columbia from the Social Credit Government the charges are that health and education money has been used for pavement on highways.

Has his Department done any studies to establish whether those charges are, in fact, correct? If his Department has, would the Minister be prepared to make them available to the House?

Mr. Weiner: Madam Speaker, I am glad my hon. colleague recognizes that significant funds are transferred and, indeed, we are hopeful that they are being fully used. We realize that there is a lot of goodwill involved here. We work in close collaboration with CMEC, the Council of Ministers of Education, Canada. We have a very good relationship with all of the Ministers of Education. We meet from time to time. There is a genuine feeling on the part of us all who serve at any level of Government to continue to make sure that our young people are the most competitive in the world, the best trained and the funds being advanced in this particular area are used for the purposes that they are intended.

The Member is certainly in the knowledge that this is somewhat of a complicated nation, that there are jurisdictional differences and it takes, as a great Quebecer, Frank Scott, once said: "When you deal with issues of this type it takes realism and goodwill. It takes co–operation, not confrontation." We will continue to work

actively with our provincial colleagues for the delivery of service, which is their jurisdictional area, but certainly as I indicated in my comments this afternoon, we have a vital interest. We want to make sure that Canadians and young Canadians are completely qualified and competent and can challenge anybody in the world today.

Mr. Harb: Madam Speaker, I did not hear the answer coming through as forcefully as I would have liked it.

On several occasions all across the country, university professors as well as student federations have called upon the federal Government to introduce some sort of a mechanism whereby whenever they are putting money toward education and passing it on to the provinces that that money be used for education. Unfortunately, that has not happened as of yet.

I want to just quote from an article published by *The Ottawa Citizen* today, contrary to what the Minister was saying "that we are fairly well equipped internationally to compete", which quotes a statement of Lynn Burton who is a senior adviser to the Prime Minister's National Advisory Board on Science and Technology.

> To be quite blunt, Canada is ill-prepared for the new world competition and for the changing environment.

She goes on to state:

> —that figures from the 22-country Organization for Economic Co-operation and Development show that Canada lags in several key areas, including employee productivity, vocational training, quality of skilled workers and worker motivation.

That is true. We have been saying these things for years. When the Hon. Member was on the opposite side of the House he made those statements. We are both saying today that illiteracy is one of the major causes of lack of international competitiveness when it comes to Canadian society.

Unless we make education a national priority, unless we make illiteracy a national issue and we deal with those who think on that basis, we will be spinning our wheels in the air. It is very important that the Minister start addressing this issue with a little more seriousness than just telling us about the federal commitment to educational illiteracy. I know the funds are there. I know the Minister made a statement over the past two years to put some money toward illiteracy. He has set up an agency. He is doing very well and I have to commend him on that.

Since we have all of this confusion would the Minister be prepared to set up a national strategy to deal with education, namely, a National Education Act whereby you can set standards? We can set the bible for the provinces to follow. We can set the ABCs on how we want to see our kids prepared for the future.

In my view, no way can we carry on in the international market the way we are now with over 70 per cent geared toward the service sector rather than the manufacturing sector.

I would appreciate if the Minister would respond.

Mr. Weiner: Madam Speaker, I certainly appreciate my hon. colleague's recognition of the great progress we have made in fighting illiteracy. It was this Government that last September brought a $110 million program forward. I recognize that the Member might say "What's $110 million in an over-all field of $50 billion?", but that is very significant. We not only set up a small secretariat of very, very dedicated officers who are working well on the initiative, but we brought forward initiatives with the provinces and the territories. I was able to sign agreements with nine provinces and two territories by the end of March of the last fiscal year. Prince Edward Island, I believe, is the only one that we missed out on. We were not quite ready with them. We have agreements with Quebec, Ontario and all of the other provinces building new partnerships. In each one of those cases new funds were advanced for new projects and new community commitments to help eradicate illiteracy.

We went further. We are now building partnerships with the business people, with labour organizations, with new participants, individuals who were not involved in the so-called literacy movement before but we have not forgotten the dedicated volunteers who worked for decades on the issue, often without any helping hand.

As far as *The Ottawa Citizen* is concerned, while I have not seen the article personally, I would want whoever wrote it to be able to reflect also on the information that I have been given as advice that we are one of the three top countries in terms of educational spending. We rank with Sweden and The Netherlands. We are second in the world in terms of post-secondary education, very close behind the United States. We do not have to be ashamed of anything that our young people are doing. We are the equal of anyone in the world today. In fact, when we make full use of all our citizens by letting us all be completely involved, which is what I work for in another

area of my endeavour, on the multicultural and citizenship side, watch how much more productive, competitive and effective we will be.

• (1600)

On a recent trip I had the opportunity to visit a company operated by two individuals who had come into this country in the early 1950s from Germany without two nickels to rub together. They are now running a business which employs 800 people who have come from 50 different cultural communities. That company is doing $50 million to $70 million worth of business, and looking forward to doing $150 million worth of business in the future. That is the type of competitiveness that we are developing.

What am I doing? We work very actively with the provincial Ministers in the Council of Ministers of Education, Canada Committee. We have initiatives and aims in common. There is no confrontation. This is co-operation. All of us recognize the need and the ability to deliver better by working together. The national forum was a focus that brought forward important initiatives. I will be meeting with my colleagues, the provincial Ministers, in the very near future and certainly will continue to look for ways to build a stronger and better system together.

Mr. John Manley (Ottawa South): Madam Speaker, I am pleased today to have this opportunity to speak on this motion that in many respects deals with our responsibility as leaders in Canada to the youth of this country and to the students of this country. There is a distinction there, Madam Speaker, as more and more of today's students, although they may claim youthfulness, as you and I do ourselves, are much less youthful than students of previous generations.

The decisions made now will provide for the foundations of a strong Canadian economy, a country that will be equipped and able to compete globally, whose people have the necessary educational background and technical skills, as well as the intellectual skills that will enable us to compete in the changing global economy.

This is a particularly timely motion. As universities and colleges were in the process of winding down their regular academic terms, it was announced in the federal Budget that transfer payments to the provinces for health and post-secondary education would once again be capped.

At the same time, the Government is creating the new Department of Industry, Science and Technology which is intended to have the purpose of stimulating and being responsible for science, research and development in Canada

Finally, the Government has introduced Bill C-16 to create the Canadian Space Agency. At the same time, the Prime Minister (Mr. Mulroney), in openly contemptuous remarks, criticizes the very people who will be the foundation of that new agency for expressing hesitation about moving their families from the areas where they live to the south shore of Montreal.

Previously, I have spoken in the House on the Government's rhetoric in the area of science and technology. It has a lot of rhetoric, and I believe it is mostly good. Unfortunately, the substance has not been particularly grasped, nor has it been shown to have action to follow it. After all, it was the Prime Minister of Canada who, in the September, 1987 edition of the University Teacher's *Bulletin* wrote: "This Government stands ready to co-operate fully with the provinces and all others involved in post-secondary education and will help create and maintain a system of higher education capable of meeting the challenges facing Canada."

In the light of that statement by the Prime Minister, Madam Speaker, I invite you to accompany me on a brief journey across Canada to some of the post-secondary educational institutions on which we rely.

First, let us visit Memorial University in Newfoundland, the first and largest university in that province. At first glance one cannot help but notice how well it is used, or perhaps overused. Memorial University was built to accommodate 7,000 students. It now attempts to educate 12,000 students.

In Nova Scotia, one is struck by the fact that tuition costs are the highest in the country. That is a reflection of the fact that over the last 12 years tuition has doubled in this country. In British Columbia, tuition has tripled.

In Ontario, at the University of Toronto, join me in a fight to get a seat in Psychology 100. For the information of Members, the lecture is held in Convocation Hall. At the University of Windsor, the library selection has so badly deteriorated that students have been referred by

their professors to Wynne University or the University of Michigan to do their research and reading.

At Carleton University in Ottawa, from which I am proud to have graduated, biologists are using outdated equipment in their labs, making measurements unreliable and morale very low.

In British Columbia, it is not uncommon for students to arrive in September to register for classes only to find there is no room for them. What is as crazy as the campus of Kwantlen College in Surrey, British Columbia? It is a campus composed entirely of portables. I am told the only thing that is permanent on the campus is the sign.

At the University of Regina, buckets are dispersed throughout the buildings to catch the rain. This is only a reflection of the larger problem of underfunding in that institution. It is clear that we have compromised our educational system.

In 1864, Theodore Rand, the Superintendent of Education for Nova Scotia stated words which are still appropriate today: "Is not education in fact the power of the people to make all the resources of their country tributary to their interests and comforts? And is not this the most obvious and prominent distinguishing feature between an educated and an uneducated people—the power of the former, and the powerlessness of the latter, to develop the resources of nature and providence, and make them subservient to human interests and enjoyments?"

There is no question of the importance of science, engineering and technology to Canada as we move into this globally competitive market-place. There is also no question of the problems we face. In the past in the House we have talked of the ratio of research and development expenditures to Gross Domestic Product. The Prime Minister promised to increase it to 2.5 per cent from where it currently resides at around 1.4 per cent. The GERD ratio, as it is called, is a misleading indicator. It may indicate that we do have a problem, but there are other things that are more significant.

There is a lack of industrial research in Canada. There is a flagging commitment to government research and to basic fundamental research. There is a massive trade deficit in high technology and medium technology goods. To me, those factors are perhaps more important than the ratio of research and development expenditures themselves, much as we would like to increase that.

Post-secondary education and Canadian universities are key to Canada's competitiveness and ability to do fundamental research. There are very serious problems in addition to the ones that my example suggested. There is the research capability. The number of research scientists and engineers in our universities is largely determined by the teaching requirements of the institutions. Those have remained pretty static since the early 1970s with the consequence that our university engineers and scientists are now middle-aged. They are not yet at retirement age. We have gone through a period of years when people holding PhDs have had difficulty finding positions in Canada. As this group of scientists and engineers reach retirement, we will have difficulty replacing them. Therefore, we are going from the problem of having a shortage of jobs for our PhD holders to the reverse problem of an inadequate number of PhD doctors to fill the university positions.

There is underfunding for basic research. I wish to refer the House to the report of the National Advisory Board on Science and Technology formed by the Prime Minister. In its university committee report it states on page 43:

> Because of inadequate funding, individuals and groups at the forefront of their disciplines in Canadian universities cannot undertake venturesome and leading-edge research projects. Success is likely to be achieved late in the process, only after leading foreign research universities have established their pre-eminence in new scientific trajectories.
>
> Few large groups of scientists thrive in Canadian universities. When a notable innovation is achieved, the advantage tends to be lost shortly after to better-funded groups abroad who are in a position to exploit the opportunities it can provide.

We lack a policy in Canada on what might be called big science, major projects. When do we fund them and with what resources? What resources are directed from other scientific endeavours? We face the problem of obsolescence in our laboratory facilities in the universities. The estimates of the need to raise the level of our scientific and technological equipment to a satisfactory level have been massive. The National Sciences and Engineering Research Council estimated $50 million per year is

required. In fact, we have been spending $10 million to $15 million per year.

• (1610)

The problems are massive. We need certainly the renegotiation of the EPF arrangements. We need to increase the budgets of the granting councils. We need to increase research funds available to the environmental sciences. In conclusion, Madam Speaker, we need to integrate our endeavours in science, research and development with those of the industrial sector as well as our concerns about maintaining a clean and healthy environment.

Some Hon. Members: Hear, hear.

The Acting Speaker (Mrs. Champagne): Questions or comments?

[*Translation*]

Mrs. Duplessis: Madam Speaker, I listened closely to the speech by the Hon. Member for Ottawa South; he said that the universities' equipment was completely outdated and that this problem occurred all over the country.

I think that the Government is aware of this problem. That is why, in its Inovaction program, the Canadian science and technology strategy, the Government, together with the provinces, set up a task force to deal with this problem and other related matters. It will certainly have solutions to suggest to us.

It is important for us too that universities have facilities with the latest technology. We think it is absolutely essential for the students and the researchers who must follow the students' progress very closely.

I would like to say to the Hon. Member that the centres of excellence program is one way. The $240 million that the Government has allocated for centres of excellence is a way for the universities and researchers to get the very sophisticated equipment that they need. But of course, they must apply for it and you know very well, Madam Speaker, that a committee is now dealing with the selection of the centres of excellence.

But I want to say to Hon. Members that this is an approach for researchers and I think that those people are very aware of it and they have been very enthusiastic in making proposals to the Government.

I would like to ask the Hon. Member, because I heard him criticize and say that the Government was not giving enough money to this and that; I would like the Hon. Member to tell me whether he and the members of his party would be in favour of increasing the deficit to give the money that is being requested all over the place. That is the question I have for my hon. colleague.

Mr. Manley: Madam Speaker, I want to thank the Parliamentary Secretary for her question.

First, I agree that the centres of excellence program is a good one. It was developed by Mr. Peterson's government in Ontario and it is now being applied by the federal Government. I believe that this program has a lot of merit.

Concerning the deficit—

[*English*]

With regard to the deficit, this is a very important issue. I know that nobody on this side would trivialize the importance of the deficit. As it was said earlier this morning, if you think education is expensive, you ought to check out the price of ignorance. There are some things in Canada that should be regarded not as expenses but as investments. It is absolutely essential to the future well-being of Canada that we adequately fund our educational institutions. There can be no other choice. We talk about the problem of the deficit putting the expenditures of today onto future generations. What a burden we put onto future generations if we burden them with ignorance. Therefore, although I think the deficit is an important issue, I think that the deficit that exists in our intellectual development, in our scientific and technological endeavours and engineering *vis-à-vis* the rest of the industrialized world is much more serious to Canadians and to our future than is the financial deficit.

Mr. Harvard: Madam Speaker, my question will be short and I want to put it to my hon. friend from Ottawa South. It has to do with his remarks earlier about facing the possibility of a shortage of scientists and engineers somewhere down the road. I am simply wondering whether it is a matter of throwing money at the problem. I know that our hon. friends across the way would

suggest at times that we are not sensitive to the deficit or to the Budget and that we would like to just spend money like drunken sailors. I do not think that is the case. But I want to ask my friend from Ottawa South, is it a matter of just throwing money at the problem? Will it go away by throwing money at it or is the problem much more complex than that?

[*Translation*]

Mr. Manley: Madam Speaker, I just have a short answer!

[*English*]

No, we cannot solve the problem by simply throwing money at it. It is a complex problem, but money is part of the solution. If we are going to attract more students into the natural and engineering sciences, we need to ensure that we have job opportunities for them at the conclusion of their educational careers. It was not much of an incentive to undertake a very arduous program such as science or engineering with the prospect at the end of not finding work and having to go off to the United States.

As for the problem that will likely arise in the 1990s of an inadequate supply of Ph.D scientists and engineers in Canada, I think we need to address also the problem of the funding of our facilities ensuring that we have adequate lab and research facilities in our institutions available to encourage students to pursue those disciplines.

Hon. Warren Allmand (Notre-Dame-de-Grâce): Madam Speaker, this Liberal Party motion which is before the House asks the Conservative Government to provide more support to post-secondary education, more support to scientific and technological development in Canada and more support for job training, retraining and the battle against illiteracy. I want to congratulate my colleague from St. Boniface who prepared and put this motion to the House of Commons today for the issues involved in this motion are among the most critical that face Canada in the 1980s and the 1990s.

If Canada is to survive, let alone progress as a major player in world commerce, then education and training must be among our highest priorities. Much more must be spent if we are going to compete in this very competitive world.

We have just signed or implemented the Free Trade Agreement with the United States. We in this Party opposed that agreement, but it is in place now. It has been passed by Parliament. But unless we do more to prepare our workforce, both young and older, to be more productive and more competitive, then we are going to lose. The Americans will gain most of the benefits to be derived from that agreement. Our nation will also be facing competition in Europe in 1992 when the Common Market countries remove nearly all barriers between them. It will be more difficult for Canada to compete in the European market. Consequently, it becomes absolutely essential that Canadian workers be the best trained in the world.

• (1620)

Education is not simply an option or a luxury, it is absolutely essential for our economic well-being. That is why I could never understand why governments at any level could cut back on education and training when we were in a recession or faced with difficult times, such as now when the Government alleges that there is a problem with the deficit. The way to dig out of a recession and to reduce the deficit is to make sure that the workforce is highly skilled and can produce the income and revenues necessary to turn the situation around.

If we look at European countries like West Germany and Sweden, we can see that at times of recession and depression they spend more money on education and training than they do otherwise. They use that opportunity when people are off work due to cyclical or structural changes in the economy to upgrade their training and re-educate them so that they are put in line to take up the new jobs that will come after the recession or depression.

Education and training is like the basic infrastructure for the economy. Just as businesses need roads, railroads, ports and airports, they also need a skilled workforce. Rather than skimp on money in providing for a skilled workforce, it is necessary to put more money into it.

It is also important to do something about the wasted human resources. We have very high unemployment rates in Canada with respect to our disabled population and our minorities. Almost 30 per cent of Canadians are illiterate and there are many drop-outs. These are wasted human resources unless we have appropriate

training programs and education programs to make these people productive, as they all can be.

Switzerland is a small country which does not have very much in the way of natural resources. It does not have a lot of minerals, oil or gas, as Canada has. It does not have large areas for agriculture and fisheries. Yet that is a very progressive country because it has a very highly skilled labour force. It is highly skilled in chemicals, machinery, banking and finance. Tourism is another important part of its economy. Every Swiss citizen is skilled to play a role in the economy so that there is very little wasted resource. It is a highly productive economy with only about 1 per cent or 2 per cent unemployment. Switzerland makes the best use of its labour market force, which makes that economy very successful.

As our Party's critic for unemployment, I will deal more specifically with the training and retraining aspects of this motion. I want to refer the House to a recent report that I believe is the best report on the subject before us today. It was published in the spring of 1989 by the Canadian Labour Market and Productivity Centre. The feature article in that spring issue is a review of education and training in Canada. I urge all Hon. Members to read this article because it is short and to the point.

The report states that for the year 1988–89, spending at all levels for education in Canada was about $40.8 billion. It goes on to point out that on a per student basis, Canadian public spending on secondary and post-secondary education represents a smaller proportion of Gross Domestic Product per capita than the average for 17 OECD countries. It also points out that during the 1980s, spending per student in real terms rose at the primary and secondary level in Canada but spending fell significantly at both the college and university levels. It goes on to say that Canadian post-secondary institutions have not been able to make up for reduced government funding and shrinking tuition income.

That is the case with respect to post-secondary education. There has been a drop in funding on a per capita student basis, which is adversely affecting post-secondary education in Canada.

Let us deal with training. The Conservative Government has cut training and employment programs by 32 per cent since 1984. The budget for training and employment in 1984 was $2.2 billion. That has been reduced to $1.5 billion in 1989, a cut of 32 per cent.

According to a table in this report, in 1982–83 under the former Liberal Government, there were 235,000 Canadians in government-sponsored institutional training courses. After the election of the Conservatives in 1984, this dropped significantly. In 1984–85 there were 216,000; in 1985–86 there were 201,000; and in 1987–88 there were 133,000. There was a drop from 235,000 in 1982–83 to 133,000 in 1987–88, which corresponds to the cuts in moneys available, to which I have already referred.

For example, let us consider what happened with air traffic controllers. This situation has hurt the country significantly in several main centres. In its 1985 Budget, the Government cut moneys for the recruitment and training of air traffic controllers. It only took about three or four years before there were shortages in Toronto, Montreal, Moncton and elsewhere, to the extent that there were no new air traffic controllers available. The Government had to go to the United States to get air traffic controllers and it is now trying to train them here. Another example of cuts in post-secondary education is the Government's recent cut to Indian post-secondary education. We have already debated that in the House. That spirit shown by the Government, to cut in areas of education, is extremely worrying and bothersome to many Canadians.

There is much to be said on this subject but I will conclude by referring again to the report of the Canadian Labour Market and Productivity Centre. This report does not represent the Liberal Party criticizing the Government, or the Opposition in Parliament criticizing the Government, it is the report of a very respected centre set up by labour and management to deal with these issues. They state in their conclusion that the evidence cited in the report suggests that Canadians have not given education and training the priority they deserve. They state that real spending per student on post-secondary education is declining and there is only a limited amount of job related training and retraining done by both government and employers. That is the issue we are debating in the House today. We will be

asking Members of the House to support this motion which says that more must be done. I think Canadians will be watching Members of Parliament on both sides of the House to see where they stand on this critical question before the country.

• (1630)

The Acting Speaker (Mrs. Champagne): Question or comment. The Hon. Parliamentary Secretary.

Mrs. Browes: Madam Speaker, I just want to be sure that I heard the Member correctly. I think what he meant to say was that there was an increase in the amount of spending which the Government was having on post-secondary education. Now, there are not any cuts, there is an increase in the amount of money that is being transferred to the provinces on health and post-secondary education, $19.8 billion in 1989-90 and in 1990-91, $20.8 billion. Of these amounts, some 29 per cent is identified as being for post-secondary education. I would hope that the Member would realize that this is a growth of over $1 billion from 1990-91 in the first year of the Budget that we have the restraint program in place. Indeed, there has been an increase in our commitment to fund post-secondary education. The funding will provide $25 billion more to the provinces over the next five years, than over the last five years with $83 billion, for 1984-85 to 1988-89, and $108 billion for 1989-90 to 1993-94. When I hear the Member speaking, it concerns me because the support from the federal Government for post-secondary education has exceeded the support increase from the provinces.

When the Hon. Member said that more money should be spent, I want to ask this Member of Parliament where he would get the additional money to fund these programs which he is speaking of?

Mr. Allmand: Madam Speaker, it seems that the Hon. Member was not listening closely to me. Of course there is an increase in the Budget of this year compared to last year with respect to post-secondary education by this Government. We have not said that there was not.

What we are saying is in the Budget the Government has cut back the rate of increase which was supposed to be there. In other words, the provinces were expecting to get so much but because of this Budget, they are going to get less than they were expecting and on which they were planning. That is the point. Sure, the Government is increasing it but it is not increasing it by the amount which was committed in the earlier years of this Government.

In the Budget, it definitely cut back on the rate of increase of funds to the provinces for health and education. That is the point.

To deal with the last question of the Hon. Member, we would certainly find more money for education out of the other budgets of the Government. It is absolutely essential that we have a highly skilled and a highly trained workforce.

By the way, this is not Liberal Members who are speaking. I challenge the Hon. Member to read the feature article, Spring 1989, of the Canadian Labour Market and Productivity Centre. This is a centre made up of business and labour. It is not just a labour centre. What do they say? They say that on a per student basis, Canadian public spending on secondary and post-secondary education represents a smaller proportion of GDP per capita than the average for 17 OECD countries. This report is critical of the Government, not just this Government but provincial governments as well for their commitment to education.

With respect to training—and training is pretty clear—the Government cut 32 per cent from 1984 to 1989. This was a serious cut-back. The figures are there. What has the Government done? It is trying to make it up now by taking $800 million out of the unemployment insurance fund, because it was criticized by the de Grandpré Commission and other commissions for not putting enough money into training and it is going to try and put that money back in. Instead of taking it out of general tax revenue, it is taking it away from unemployed workers.

The Acting Speaker (Mrs. Champagne): Resuming debate. The Hon. Member for Burlington.

Mr. Bill Kempling (Parliamentary Secretary to Minister of Employment and Immigration): Madam Speaker, it is my pleasure today to respond to the motion. In fact, it seems to me that the Hon. Member has provided me with an opportunity to make some positive remarks about the accomplishments of our Government.

Our Government does not need to be called upon to take steps to build a foundation for the future prosperity

of this country. We have taken those steps. We are well on our way to ensuring a strong and competitive Canada.

During the last four and a half years, this Government has rewritten the book on employment training. We have worked with business, labour, communities and anyone else concerned, to create programs which will best serve Canada, the Canada of tomorrow.

Several billions of dollars have been spent to train and re-train our country's workers so that they can fill the jobs of the future.

In the Hon. Member's riding, this Government has spent $2 million for job training in the last year, and a total of $14.4 million since 1985. He of all people has no basis upon which to base doubts about the efforts to help Canada meet the labour market demands.

Can any Member of this House deny the massive challenges Canada faces in light of expanding global markets and technological change? In a world of enhanced international competition, Canada's most important need will be a workforce which is equipped with proper skills. Our human resources are the key to preparing Canada for a labour market which is radically different from the one we know today.

Right now 40 per cent of all jobs call for professional white collar skills. By the year 2000, 80 per cent of all jobs will demand those skills. It is clear that job training is a critical part of the march toward the next century. Equipping workers for the needs of the labour market will ensure Canadians the degree of prosperity which we have enjoyed until now.

Two-thirds of Canadians who participated in a recent poll said they need skills training to keep up with economic competition and technological change. Less than half who work full time have received training in the last two years. More than half of the unskilled workers polled had received no training at all.

The example of other countries has proven that business must constantly help their workers upgrade their skills in order to keep their businesses competitive. In 1987 only one out of four Canadian companies spent money to train their employees. Canada spends about half the amount on training that the United States does. It has been evident for some time now that this is not just the Government's problem.

When Canada cannot keep up with the world competition because its workforce does not have the right skills, it is the problem of every Canadian. That is why our Government since its first term has worked to put relevant training programs on everyone's agenda. Labour, that is business and communities, have an important role to play in providing training.

In 1985, this Government replaced more than 40 ineffective make-work programs with a co-ordinated regionally driven initiative called the Canadian Jobs Strategy. Rather than making work, we set out to make permanent jobs. The Canadian Canadian Jobs Strategy is aimed at individuals and their specific training needs. It allows people in the regions and those who understand the local labour market to direct the programs. Canadian Jobs Strategy has been just as successful as we expected.

Most of those who take part in the Canadian Jobs Strategy training program find work using their newly acquired skills, skills which will continue to be in demand for a long time. Building on the philosophy and the success of the Canadian Jobs Strategy, the Minister of Employment and Immigration (Mrs. McDougall) recently introduced an important national program which will lead to further improvements in the training and employment structure of the Canadian labour market. The Canadian Labour Force Development Strategy represents this Government's commitment to work with its partners in business and labour, to prepare Canada's workers for the future. It also represents a shift from former passive income support for the unemployed to more relevant and active support in line with labour market needs.

• (1640)

On examining our unemployment insurance program, we found it needed a new look to keep it in line with the times. The purpose of the unemployment insurance program remains what it was upon its inception almost 50 years ago: to protect people out of work and to maintain economic stability. However, unemployment insurance must evolve with current economic needs. Under the strategy, unemployment insurance will help clients get relevant training so that they can return to the workforce with the skills needed to keep a job longer.

Since 1977, some UI money has been used to train claimants. Last year, for example, 74,000 claimants were trained under Section 26 programs. The strategy proposes to extend the training to an additional 60,000 trainees. Some $100 million is earmarked for skills training and education upgrading for displaced and older workers. For young people, $100 million has been set aside for entry level skills development.

Some of the other services to be made available are financial support for administrative course and travel costs, income support, allowance for child care, job search counselling and access to vocational training. This strategy recognizes that training means paying for much more than the cost of taking a course. We have tried to ensure that adequate support is available so that those who need training do not encounter financial barriers.

In addition, the strategy provides $25 million to help an expected 5,000 claimants relocate. Those who want to travel out of town to look for work or who want to move where job prospects are better will now have income support available. The strategy also encourages those claimants who want to start a business. About $20 million has been designated to support the entrepreneurial ideas of those receiving unemployment insurance.

As well, some of the unemployment insurance funds have been allocated as incentives for those claimants who find work quickly. This may be in the form of bonuses or temporary earning supplements.

In addition, we are fine tuning certain aspects of unemployment insurance. In areas where there are no more job opportunities, claimants will have to work longer to qualify for benefits and the duration of their benefits will be shorter. But in areas that continue to experience high unemployment, the number of working weeks to collect unemployment insurance will not change.

Canadians are eager to work and contribute to the prosperity of their country. The unemployment insurance changes under the Labour Force Development Strategy mean unemployed Canadians will go back to work faster with the skills that will hold them in good stead for longer than the time needed to qualify for another UI cheque.

As for Canadians receiving social assistance, the Labour Force Development Strategy offers new solutions. Currently, the federal Government spends $400 million a year on a training program for social assistance recipients. We have been encouraged by its success, although it has only been in effect since 1986. Under the strategy, however, the federal Government is ready to commit an additional $50 million together with $50 million ordinarily spent on income maintenance under the Canada Assistance Plan to train more social assistance recipients for meaningful work. If the provinces agree to match this money, together we will make an additional $200 million available to help the 20,000 additional social assistance recipients across Canada.

It is critical that government programs reflect today's changing work patterns. In addition to the changes I just outlined, the strategy will provide more training opportunities to employed Canadians. Under the strategy, $230 million will be directed toward human resource planning and training. Almost half this money will be spent on entry level training to be provided by the private sector.

In recognition of the importance of the school–to–work transition, we plan to quadruple the funds for co–operative education. As well, we are providing human resource planning to industries to help them get ready for the future labour markets. The strategy also doubles funds for the industrial adjustment service. The IAS is our proud example of how labour market adjustment should be done. It works with management and workers to find solutions to obsolete skills, technological change and plant shutdown.

Our Government has tried to cover all the bases. We have analysed our weaknesses and directed our efforts to overcoming the faults. With the help of our partners, there is no question that we will meet the challenges facing this country. Such challenges cannot be met by sticking rigidly to principles or ideas that are no longer relevant.

It is incumbent upon the Members of this House to remain open to new ideas and new schools of thought. While we may all agree on the goals that must be attained, such as the need for more effective retraining and training, we are far from unanimous on the means. The issues are complex and involve all sectors of the labour market. Governments alone do not have all the answers. That is why we recently met with the leaders of 13 national organizations to launch a consultation process on future labour–market programming. These representatives of business, labour and training organization and other interested groups agreed on five key labour, market and training issues which must be addressed. They are entry level training programs for unemployment insurance recipients, human resources planning,

programs for social assistance recipients and programs for older workers.

During the summer months, six representative task forces will meet to discuss these issues and prepare papers for five symposia scheduled for the fall. Probably the chief concern is apprenticeship and the extent to which it can be used to address entry level training. We need a new entry level training program based on apprenticeship's best features for occupation now not covered by apprenticeship. We will be seeking extensive advice from the private sector on this question.

A second task force will look into co-operative education as a practical tool to guide young people in making realistic career decisions while they are in school. Since co-op education will be expanding under the new strategy, we will require support and input from both the education community and the private sector.

I have already stated the critical need for more training in Canada. That is a fact of today's world. We need to know what approaches are necessary to motivate the private sector to work with the Government to achieve common goals. A third task force will explore these ideas.

The ongoing quest to help social assistance recipients integrate into the labour market must be re-evaluated to ensure that we are taking the right approach. This will receive the careful research and experimentation from a fourth task force.

As for older workers, the problems are acute and the solutions may require a response from those familiar with their needs in the fifth task force.

The sixth, and one of the most critical of task forces will concern the need to make training more effective in helping unemployment insurance beneficiaries get back to work.

The coming months will be busy ones for the six task forces. In the fall, the Government plans to begin negotiating training agreements with the provinces. The agenda is demanding. The Government eagerly awaits the reports which will guide us and our economic partners in shaping the labour market of the future. These new measures are part of a long process which began in 1985 with a goal of building a strong and competitive workforce for the 1990s and beyond. But the experience of the past four years proves that this Government is not afraid of a challenge. We have worked hard with our partners to begin the necessary reshaping of the Canadian labour market and the success of our program to date is a testimonial to the fact that this Government is headed in the right direction. Today we are eager to get on with the further changes so that Canadians can continue to prepare for future prosperity.

Mr. Volpe: Madam Speaker, I was quite intrigued by the presentation given by the Hon. Member. In the first little while, I wondered if my ears were ringing as a result of a debate I heard not too long ago with respect to the kinds of moneys that are established for a new training ethic in this country.

I dare say that if we are going to establish a true training ethic in this country, then we have to be cognizant of all the factors that enter into the play of education. When we are talking about education—and my colleagues on this side of the House, will understand this very, very well—we are talking about three elements. The first element is the formation of character and personality. The second is the instructional components that go into preparing a student, be he or she young or old. The third involves training components that are either skills specific or skills transferable.

• (1650)

We are talking about three dimensions in education. None of them exist on their own. Yet we have the Government, in this case thanks to the Hon. Member's presentation in this debate, that seems to concentrate on only one, and it in a vacuum.

It is important for us on this side of the House who have presented this particular motion today to stress the importance of education as an investment for the future of the country, a future that will be determined and shaped by the kind of role we see for ourselves in the international market-place, not only as producers, consumers or entrepreneurs but, I dare say, as individuals who will propagate the message of equality, of freedom, of justice and brotherhood everywhere. We can only do that if we are going to make each and every Canadian competitive and productive, productive in the philosoph-

ical sense but productive as well in the ability to harness entrepreneurial energies to the challenges of tomorrow.

I cannot sit by and allow the Hon. Member in his remarks to stress and outline a series of initiatives that represent to Members on this side of the House a retrograde step in terms of how we will prepare some very skills specific individuals for the coming decade.

I wish to finish off my commentary by asking the Hon. Member how he can justify reading through a list that suggests that the Government is preparing a new training ethic for the country when what we see in fact through the Estimates is a diminution of funds available in job development for those people who need skills preparation most, for those people who find it most difficult to enter the job market and for those people who the Government has been failing at both the formation and the instruction stage.

Mr. Kempling: Madam Speaker, I do not know what planet the hon. gentleman lives on. He certainly does not seem to be in the real world.

The job of retraining workers in the labour force today and retraining those who will enter it in the years ahead is a joint problem among Government, labour and industry. If one were to go through the industrial countries with whom we compete, one would find that industry has large sums of money dedicated to training workers. I was recently in Washington listening to an industry group which told me that it had dedicated $200 million to upgrade the qualifications of the people in that labour group in order to maintain a competitive position in the world market.

I recently read summaries concerning the following industries in Canada: electrical, steel, automotive, textile and chemical. The summaries dealt with how much these industries were prepared to spend on labour training and upgrading the skills of their employees. It is millions of dollars. It is a joint job with respect to which labour, Government and industry will have to put their brains and thoughts together. That is what the six communities that have been set up to look into the six major areas that I outlined in my remarks have set out to do. It is how we are going to go about this and what the requirements will be for the various divisions in our industry.

We have much work to do. I do not think that it will be an easy job at all. We certainly need the co-operation and support of everyone. If we are going to continue to nit-pick it apart and raise hypothetical situations such as the Hon. Member has done, then we are not going to make very much progress.

I know that the Minister and the Government are dedicated to this program. We will see that it goes through.

Mr. Mifflin: Madam Speaker, first, I would like to make a comment to put in perspective some of the specifics mentioned by the Hon. Member for Burlington (Mr. Kempling). He talked about the job development strategy. Indeed, we had a very good discussion on that topic last week. We did not always agree but I think our figures were pretty much the same.

The Hon. Member talked about job development strategy. I note that this year in looking at the Estimates the Government is putting in $53 million less in job development strategy than it did last year and, indeed, $50 million less in the job re-entry program.

I would like to make the point that in a more macro sense I do not think there is any question that the Canadian education system is on the ropes. In continuing to provide university education at least to an ever increasing number of Canadians, the central problem in the last 25 years has been the juxtaposition and to a certain extent the tension between trying to provide quality and accessibility.

In fact, to take it a step further, I think we have a triangle. On one side we have quality and on the other we have accessibility. At the bottom of the triangle there is money. I think we are looking at somewhere in the vicinity of $7 billion. If that $7 billion—or the money that is required to support the other two sides of the triangle—is not there, then the other sides will cave in.

The amount of money that is spent per student in Canada, as I understand it, has declined considerably to the point that, as mentioned by my hon. friend a few minutes ago, we are behind 14 other members of the OECD countries. Indeed, the operating grants in Cana-

dian universities have risen less than 3 per cent in real growth in the last decade while enrolment is 30 per cent higher.

I would just like to make the point that we have 500,000 full-time students in Canada. We have 37 universities. There has been a 35 per cent increase in enrolment in the last decade. That was not predicted by the statisticians. In fact, what they did not allow for is that 12.5 per cent of students are now enrolling as opposed to 9 per cent.

I would like to wrap up by saying that with those kind of statistics, those kind of people and those kind of growth rates we cannot afford not to have the investment in education that we should be having.

Mr. Kempling: Madam Speaker, I think the only thing I could recommend to the Hon. Member is that he get out of the Parliament Buildings and go around to visit this country from coast to coast as I have done.

Mr. Mifflin: I have done it.

Mr. Kempling: He could look at some of the things that have been done.

I was reading today in my mail about a company called Generation 5 Technology which is working on the Alaskan oil spill in Valdez using a new process called a Munmap mapping system. The company is using computers to determine the thickness of the oil slick, where it is going, wind directions and the movement of the ocean. Five Canadians have put this company together. It is absolute first-rate top-of-the-line work that is being done by Canadians trained in Canadian universities. They have something that no one else in the world has. They are in demand.

The Canada Centre for Inland Waters has developed a process for turning sewage sludge into oil that can be used as heating oil. The City of New York wants that technology, as does the City of Melbourne, Australia. We will put it down in Halifax. Let me tell Hon. Members that this technology was developed by Canadians.

There is another company called Xenon Environmental at which I witnessed the delivery of a filtration process that can be dropped from the air. It weighs seven tonnes and can be dropped out of a Hercules aircraft.

I asked the scientists who designed it what it would have done in Chernobyl. They said that with this process, which is a membrane technology process, they could have delivered drinkable water, pollution-free water to the people of Chernobyl had it been available at that time. There are a lot of good things going on in this country and we want to build on them. We do not want to live in the dark world of Members opposite.

• (1700)

The Acting Speaker (Mrs. Champagne): I regret that I must interrupt the Hon. Member. We shall resume debate with the Hon. Member for Prince George—Bulkley Valley (Mr. Gardiner).

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Madam Speaker, the Members on this side of the House have had some positive comments to make in today's debate, and I appreciate that. I am pleased to join in the debate on this motion presented by my colleague from the Liberal Party, a motion which calls on the Government to offer more support for post-secondary education.

I would like to congratulate the Liberal Members for making this a votable motion. As we all know, last night there was a vote on an excellent motion on the environment presented by my colleague from Saanich—Gulf Islands (Ms. Hunter). Unfortunately, the Government voted against the environment last night. I hope it does not vote against education tonight. I ask government Members to vote with us on education tonight.

I would like to use this opportunity to speak about education on a national level as well as on a regional level, specifically the region of northern British Columbia. Nationally, it is important to realize the role post-secondary education plays in the economy. It plays an important role for young people, industry and, indeed, Government.

Earlier today, the Minister made some comments about the Government's funding. I asked him about the concerns that those of us in the Province of British Columbia have about where the Social Credit Government of British Columbia is spending its education and health money. In reply, the Minister suggested that we need goodwill. I am all for goodwill and I think that is what this House operates on for the most part. However, when it comes to funding for post-secondary education and health care, I ask the Minister if Treasury Board asks goodwill from him. We need more than goodwill, especially when dealing with a province led by Premier Vander Zalm. We in that province have some very deep

concerns about the spending priorities of that Government.

The Government opposite had an opportunity to change the legislation back in 1984. The original legislation was changed by the Liberals who were in power at the time. Transfer payments to the provinces were made in a lump sum and the money was not tagged. When the Conservatives first came into office, they would have done a good service to education if they had gone back to the original proposal in that legislation.

An excellent article in *The Financial Post* of January 14 by Allan Evans from the University of British Columbia talks about the importance of education and the need for a debate about its role. That debate has been missing from the Conservative Government and from some of its friends in the provinces.

We are not suggesting that spending is controlled solely by the heavy hand of the federal Government. The people in our ridings elected us to watch over the funds the federal Government spends. It is our responsibility to see that we do so.

I would like to comment briefly in the short time I have this afternoon on the role of education, particularly in Prince George in northern British Columbia. My colleague, the Minister of State for Forests (Mr. Oberle) the Member for Prince George—Peace River, is in the House today. I know he will support the comments I will make about the need for a university in northern British Columbia. I would like to use this opportunity to draw to the attention of Hon. Members, the Government and people across Canada of the ongoing campaign for a university in our community.

If the Government were participating fully in a debate about post-secondary education, it would support in whatever way it could the establishment of a university in Prince George. In March of 1986, at a regional conference called "New Democrats North", our Party talked about the need for a university there. Perhaps Members from some of the more populated parts of Canada believe that having universities in their communities is a foregone conclusion. We do not have a university and part of the goal of northern British Columbians is to build and develop the resources in our area, including our young people.

Currently, the provincial Minister of Education has set up an implementation committee which is listening to views and advice from members of the community. It will be reporting back at the end of the year. I hope that committee takes into account the comments and concerns of all Members, including my colleague from Prince George—Peace River.

We have talked about other issues that relate to post-secondary education. We have talked about what a university in our area could do to aid education in native languages. We have talked about forestry. I have written to the Minister with some suggestions for a forestry research centre in Prince George, our home town. That could tie in with a post-secondary institution in Prince George.

It is not only transfer payments that assist in the development of post-secondary education, it is the various granting institutions including the Science Research Council which provide that assistance. There is a report suggesting a regional multi-campus proposal, something which is subject to debate. The report is called Building a Future of Excellence. That is what we are trying to do. That is what my colleagues and friends in the area are working toward. We are trying to keep the pressure on the community and the province to ensure that we get a commitment from the province toward that goal.

Some have suggested that it may take an election campaign to get a university built in Prince George. So be it. We will take a university if it also means an election campaign in which we will get a provincial Government that will do something about education in our area.

As many Members have said today, education is an investment in the future of our country. Some time ago, when I studied for my degree, education meant going to university for a general arts education. Now it means a lot more than that. In the debate surrounding a university in Prince George, my initial focus was on an ongoing arts program, but I have been convinced, primarily by my provincial colleague, the Member from Prince George North, Lois Boone, that we have to concentrate as well on the professions. We need health professionals, forestry professionals and others. The continued attention of the federal Government and the provincial Government to post-secondary education is what we need.

I would encourage government Members to support this motion. I would encourage the Minister to consider seriously studying the concerns of Canadians about transfers of funds to the provinces to ensure that they are being spent in the right places. Let us lay to rest those concerns.

In conclusion, I would like to congratulate my colleagues for bringing this motion forward. I hope the Government will vote for education, because that is how we will interpret Government support for this motion. I appreciate having the time to raise these important concerns that exist across country and in my home province.

• (1710)

[*Translation*]

Mrs. Duplessis: Mr. Speaker, I listened carefully to the Hon. Member's speech, although of course I am not very familiar with the situation in northern British Columbia. However, since he said that we were not doing enough for the universities, I would like to quote a few statistics. Earlier, my colleague, the Parliamentary Secretary to the Secretary of State, mentioned there has been an increase in transfer payments for medical services and education. In the last Budget, we also saw a 12 per cent increase for science and technology. I would like to point out to the Hon. Member that additional funding in the amount of $1.3 billion was earmarked for science and technology. In fact, this was announced by the Prime Minister on January 13, 1988.

Furthermore, $520 million has been allocated to university research and instruction. This includes $80 million for our Scholarship Programs; $240 million for the centres of excellence, as I said earlier to another Opposition colleague; and $200 million for the base budgets of research granting councils. I would like to point out to the Hon. Member that funding allocated to the granting councils will total $3.7 billion over five years, until 1990–91. He should realize, if he looks carefully at these figures, that this represents an increase of $1.4 billion or a little over 60 per cent, compared with the five previous years from 1981–82 to 1985–86.

Since we came to power, this Government has increased the annual budgets of granting councils by 20 per cent. The annual budgets of the three granting councils added up to $531.4 million, and that total is now $635.4 million. In 1990–91, the councils' budgets will practically double, an increase of 48.9 per cent or $791 million compared with 1984–85. Private sector contributions to university research under the matching funds policy will total $380 million over five years.

I have many more lists of figures I could quote to the Hon. Member, but I would like to ask him, because earlier, at the beginning of his speech, he practically implied that the Government of British Columbia might misuse federal transfer payments. The implication was there, and I wish the Hon. Member would make himself clear in this respect or withdraw what he said, because I think these are very serious allegations which may be quite disturbing to the Government of British Columbia.

[*English*]

The Acting Speaker (Mr. Malone): I might remind the Hon. Member that he has two minutes.

Mr. Gardiner: Mr. Speaker, I appreciate the Hon. Member's question. My point and concern is one a number of people have made in British Columbia. Let me talk about the current Established Programs Financing legislation. When that legislation was changed by the Liberals from having tagged funds, meaning that the province must spend the money on health and education, the money went basically toward general revenue. The charges made by many and why I asked the Minister of State my question is to try to lay to rest that concern, if there is one, as to whether the provinces are spending that health and education money where it should be spent. The Minister did not tell the House whether his Department has done any studies to confirm or deny that. He suggested that goodwill was required and I, in return, suggested that we need a little bit more than goodwill. A phrase that many people from B.C. are familiar with sums up everything. It is called the Coquihalla Highway. This is a provincial Government that spends funds in one area and uses them in another. That is how you answer a question like that.

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, it is a great pleasure for me to enter this debate on the motion:

> That this House call upon the Government to take steps to enhance the federal commitment to support post-secondary education, scientific and technological development, job training and retraining in the battle against illiteracy, all of which provide the essential foundation for building of a stronger and competitive future for Canada.

I certainly agree with the intent of the motion and it gives me a great deal of pleasure to add a few words in support of it.

There are many areas that should be examined as we look to the wording of the motion. There is the educational part of it and there are a number of things that I could add to that educational part. There is also the re-training part. I would particularly like to add a few words on the re-training aspect of the motion today, particularly as it affects the Province of Saskatchewan from where I come and the rural and remote areas to which many people who live in my riding look to their future.

The Government in the last month has introduced Bill C-21, the unemployment insurance legislation, that we on this side of the House oppose vigorously. It is a motion which intends to change the direction of unemployment insurance in this country. One of the things addressed by this motion today is to redirect about $800 million in funding from unemployment insurance premiums to the re-training elements of our educational and employment system. I object not so much to the fact that we are putting funding into re-training but rather that we are diverting funds from unemployment into re-training.

I am a great advocate of training programs in Canada. I believe the commitment of the Government to training and re-training is the sort of commitment that we need to enhance the future ability of people who live in the remoter parts of the country and to enhance the future ability of those who live in urban Canada where technology is rapidly changing the workforce.

I want to suggest very strongly that the Government looks at the way in which Canadians view the commitment this Government is making. Let me cite an example from the Province of Saskatchewan. The previous Government under former Premier Allan Blakeney put a training program into place for dental therapy which attracted a large number of young people from the Province of Saskatchewan. The training program for dental therapists eventually led to an entire dental program for school children. Dental chairs and offices were put into each and every public school throughout the province. We provided free dental check-ups and basic cleaning of teeth for all children in the school system.

In 1982, shortly after the Government changed and the Conservative Government headed by the present Premier Grant Devine was in power, there was a redirection in thought. While 400 recently trained individuals were doing therapy and hygienic work on children's teeth, the new Premier removed the program entirely. He fired the 400 recently trained dental therapists and hygienists, pulled the dental chairs and equipment out of every room in every school in the province. Not only was there anger among parents who had benefited a great deal from having their children's teeth looked after but there was also anger among the people who had trusted the previous government to provide them with the training for what they expected to be long-term jobs.

• (1720)

After the announcement by the provincial government, the premier of the province came to my community of North Battleford and at a meeting of the dental therapists promised that every single one of those individuals who had lost their jobs as a result of the cancellation of the dental therapy program would get jobs in the private sector. Private dentists in the province would now have more children to look after and they would hire the dental therapists because after all they were so well trained.

That promise of guaranteed jobs for those dental hygienists and therapists in the Province of Saskatchewan has fallen dead. Only 6 of those 400 people who were trained by the Province of Saskatchewan for that program are now employed in private practice in the Province of Saskatchewan. That was the commitment, trust and respect that had been commanded by the government in the Province of Saskatchewan to the people in their retraining.

I have a great deal of skepticism about the commitment that the Government might be making and its good words about retraining programs and committing funds to training. It is all well and good to talk in grandiose terms about moving people from unemployment and welfare into jobs that will be created as a result of retraining efforts on behalf of the Government. In the Province of Saskatchewan, there is no trust from the people in the Government's moves toward that end.

The other day in the House I mentioned the Government's policy to end the branch line rehabilitation program. However, other government policies are disentitling people from existing within their own future in my part of the country. The cancellation of the branch line rehabilitation program may damage the ability of the community of River from sustaining a future. But if there is no redevelopment or opportunity for growth in that community, there will be no jobs to retrain people for. Those people will have to move into a larger community in order to build a future for their families and children. As a result, we are creating another group of unemployed in the larger urban centres. Policies such as maintaining the branch line rehabilitation program would ensure that those people who live in that rural community will have a future in their community and not have to move to a larger centre to compete with people who are already unemployed for those jobs that the Government is now considering in terms of its retraining program.

The community of Big River is not looking to the Government for assistance to retrain its workers, the people currently involved in agriculture production, in the lumber industry, and in the sawmill operations. That community is simply looking for the opportunity to maintain its economy and maintain the way of life enjoyed by its residents for quite a period of time. There are 700 homes in the community of Big River. As a result of the possible discontinuation of the rail line, those people are now looking at what is the future. If they cannot ship their grain, or move their lumber from the sawmill that is keeping the other element of that community open, what opportunities do they have? We are not going to be retraining people to do oil work, welding, or any of the other things proposed under this scheme to help the people in that community.

Regional development programs, community development programs, funding for community education-based programs to keep people active in rural and remote areas are the types of programs that we need from the Government. I certainly support initiatives that have been taken in the past to direct community and regional colleges into the rural areas by all governments of all political stripes in the Province of Saskatchewan and in the federal Government. Those regional colleges are delivering some of the programs that are being offered under the Unemployment Insurance Program and the Canada Jobs Strategy. That has to be expanded and built upon. I can see that there is a future if the Government is committed to doing that.

Mr. Kempling: As I listened to the hon. gentleman speaking, I wondered when he was going to get to his point. He seemed to be relating the experience of some people with the Saskatchewan Government and a program that it had in place, and somehow was trying to lay that problem on our back. That is too bad. Whatever happened out there happened with the government that was in vogue. It was not done in conjunction with our government.

I would suggest to the Hon. Member that the people in the community of Big River contact the Minister of Employment and Immigration (Mrs. McDougall) and ask whether a Community Futures Program could be designed for their particular situation. We have signed hundreds of Community Futures Programs for situations exactly the same as the Member is describing. I am sure that the Minister would be pleased to have her officials look into it.

As far as other training is concerned, I know there are those in the world who think that all training should be done in colleges or schools. We always have this difficulty. There are people in industry who tell us that they do not want the tool and dye makers who are coming out of certain community colleges because they do not have the qualities or they do not want a certain type of worker. Our job is to upgrade that wherever we can.

The Government negotiates, talks and discusses with industry groups and with the provinces what their labour skills requirements will be for the period ahead. That is what we will engage in this fall through six industry groups which will be discussing with the Government, labour and management what labour skills will be required in the period ahead. Our job is to train people as a result of the reports that come back here and we will do that.

I do not see the doom and gloom the Hon. Member seems to see. I have been here for 17 years and I look forward to the time when one day we will hear a Member from the NDP speak about something that is not doom and gloom.

Mr. Taylor: I thank the Hon. Member for Burlington for his question. I have a certain amount of respect for the Member. Not too long ago I attended a Canada-United States interparliamentary group meeting where the Hon. Member spoke eloquently about the steel industry. That is something that I have very little contact with in my part of the country. I certainly learned a lot from the Hon. Member's presentation on steel and I feel

more a part of this country as a result of that presentation. I do not know where the steel industry is going. I hope that the Hon. Member's presentation to the Americans will help them to work out the difficulties that we have.

The Hon. Member was trying to figure out what the point was about the provincial Government in the Province of Saskatchewan. The people of Saskatchewan recognize the point very clearly, that a Tory is a Tory. It does not matter whether they are federal or provincial. The de-emphasis on training and success of individuals working collectively within our society for the benefit of each other is no more evident than in the Province of Saskatchewan. There is a desire on behalf of the people to work collectively to achieve group ends. The Government of that province and the commitment that this Government is making through federal legislation is not in the same vein as that of the people of Saskatchewan. That was my point.

• (1730)

Mr. Jim Jordan (Leeds—Grenville): Madam Speaker, I appreciate this opportunity to participate in the debate. I would like to narrow in on just one aspect of the debate, something that I think is a blemish on our society. It has been alluded to here today several times—illiteracy. It seemed to me the pre-election commitment to illiteracy was very strong on the part of those sitting opposite. In the Speech from the Throne, there was a lessening of commitment. That of course was after the election. Now I find mere tokenism has set in and that should be accepted as a compliment because it is not quite that.

Whatever the reasons for the Government to arrange things in that sequence, which are obviously political, it is clear that illiteracy results in a great loss of potential both for the state and for the individual. Its over-all effects are often hidden. They impinge on economic development, or lack of it, and on unemployment. On the personal level they impinge on health, social maladjustment and the general well-being of those identified in our society as illiterate.

The importance of literacy can hardly be overestimated. The social, political and economic structure of the modern community rests on the assumption that every citizen can communicate and be communicated with by means of the written and printed word.

There are any number of definitions of literacy. The one that I like is the United Nations definition of literacy. It is an old one now, but I think it is still pretty valid:

> A person is literate who can, with understanding, both read and write a short simple statement on his everyday life.

Failing to be able to do that, according to UN standards, a person is considered illiterate. In this sense literacy is viewed as a means of self-fulfilment and full participation in society. The last figures available show that one in every five Canadians over 15 years of age does not qualify as literate and therefore is not able to reach self-fulfilment and full participation in society. That is an alarming statistic and one which we can be truly ashamed of in a rich country that prides itself on being so civilized. One in five over 15 years of age is only able to function on the periphery of life, having to stay in the background in many respects. Another interesting statistic is that illiteracy increases as we move from west to east in Canada. It is an interesting point.

Illiteracy increases then in Canada as we move from B.C. to Newfoundland. Luck plays a part in it. Being disadvantaged plays a significant role, but luck is still a very important component. I do not think that luck is a good way of equalizing opportunity in Canada. To attempt to identify the social effects of illiteracy is extremely complicated. Complex relationships including various factors affect an individual's social outcome. Cause and effect are very difficult to separate. It is therefore more accurate to discuss circumstances associated with illiteracy than to speak of its effects or its results. Those with low education tend to have poor health—that has been established—a shorter life expectancy, more disabilities of one kind or another. All this can be statistically proven. Other circumstances often related to illiteracy are poverty, unemployment, personal

problems resulting from family breakdowns and so on. It is a very serious Canadian problem. Those identified in the category of illiterate are high risk when it comes to poverty, unemployment and when it comes to having personal problems. Very often all three are combined.

I want to talk for a moment on poverty and illiteracy. Canada, like most other countries, is still a long way from breaking the vicious cycle of poverty leading to inadequate education, meagre job opportunities and continued poverty into the next generation and the generation after so that we will have a second and third generation of illiterate people. The cost is high economically and socially. No country can afford it.

Unemployment is another factor associated directly with illiteracy. The connection between illiteracy and unemployment in western democracies has been well established. The higher an individual's educational attainment, that is to say the farther he or she moves away from illiteracy, the better chance he has to join the labour force, the more likely he or she is to avoid unemployment, the more likely that he or she will have a better job with an opportunity to attain higher lifetime earnings. Simply put, the better educated one is, the better chance of finding a job. When people have jobs, everybody in the country gains. Those who do not possess a functional level of literacy are and will remain the least likely to be employed. If they do not find a job, opportunities for advancement are not possible resulting in low self esteem and the problems which accompany that feeling of limited worth.

The federal Government has provided funds through the Department of Secretary of State to support voluntary community based initiatives for literacy and literacy training. But that really is not a commitment. There is no concerted effort. It is one of those on-again off-again approaches to a very serious problem. It is never going to correct the problem of illiteracy in Canada. The Speech from the Throne in 1986 committed the federal Government to work with the provinces, the private sector and voluntary organizations to develop resources to ensure that Canadians have access to literary skills. That was in 1986. They were very fine words but that is all. No action followed.

On September 8, 1988—a critical time since an election campaign was on and the Government's interest was intense then—the federal Government announced its intention to invest $110 million over five years to fight illiteracy in Canada. That works out to $5 over five years for everyone classified as being illiterate in Canada. That is like sprinkling a little bit of water out in the Sahara Desert, a real tokenism as I described it earlier. Several years ago it was easy for Canadians to be complacent about this. They assumed that their country was one of the best educated societies in the world. Recent studies have shown, however, that a substantial proportion of the Canadian public is now functionally illiterate and that the national cost of this is enormous.

We are proud of how successful we have been in teaching our two founding languages to great numbers of Canadians, but we failed miserably to teach one in five Canadians who are over 15 years of age to read and write in just one of our official languages. It is a reflection of the lack of priority on the part of the Government.

The Government's response to illiteracy requires commitment. It requires input from all sections of society. In devising this response, illiteracy should be recognized as a complex, long term social and cultural problem that requires money and research. It would be put on the basis of a consistent amount of money based on our Gross Domestic Product, an item which has all but disappeared on the scale of spending on the part of this Government.

The cost of illiteracy to business in Canada is horrendous. From that point of view alone, fighting illiteracy should be looked upon as an investment. Unskilled and what we refer to as muscle work is declining. It is in that group that you will find most illiterates. Technology demands are increasing and the new skills necessary are beyond the comprehension of most of the illiterates. The problems feed upon themselves and compound upon themselves. Good communications skills which are ever increasing are beyond most illiterates. Industrial accidents are higher among illiterates.

• (1740)

Let us consider some of the everyday things which most of us take for granted but which illiterate people cannot do. These include reading directions on a bottle of medicine and the potential pursuant problems; filling out a cheque correctly or completing some simple business transaction, or following a route on a map.

Being able to understand the Charter of Rights is very important, yet so removed to people who cannot read with comprehension. It is very difficult for illiterate people to find an amount on an income tax table, or to find a store listed in the yellow pages.

In closing, I want to encourage the Government to stop trying to find the future by gazing at the past, and to take seriously the plight of 20 per cent of our population over 15 years of age who cannot comprehend from the printed page either one of our official languages. The methodology exists now to combat illiteracy. It takes commitment and some imagination from the Government. This is in growing immediacy one of our major national problems. It has been my pleasure to address this issue and I hope the Government has been listening.

Mrs. Browes: Madam Speaker, I want to compliment the Hon. Member for his remarks today. A program dealing with this issue is probably one of the most important policies we can institute for the benefit of all Canadians. I am pleased that we can agree on the importance of literacy programs.

The examples set forth by the Hon. Member only show the importance of the announcement of the Prime Minister (Mr. Mulroney) last year of $110 million for a literacy program in Canada spread over the next five years. One of the projects that I am sure the Hon. Member would be pleased to hear about is at the Frontier College in Toronto, where $417,000 is being put forward to launch a program called Read Canada.

Read Canada is encouraging Members of Parliament and members of the community to read to their constituents, to children and to people within the community in order to assist them to learn the importance of reading. The Prime Minister's wife will be reading on Parliament Hill on Canada Day and it is hoped that Members of Parliament from across the country will indeed take the opportunity on Canada Day to participate in this program called Read Canada. I hope the Hon. Member will do so.

I want to compliment him for his outstanding remarks and to indicate that we on this side of the House are doing everything we can. I look forward to working with him on these particular projects that will help all Canadians to participate in the economic and social life of our community so they may fulfil their own opportunities in Canada.

Mr. Jordan: Madam Speaker, I appreciate those comments. I think we can get along well on this issue, but there seem to be a few obstacles. I am sure that in spite of those who think that this is not a major national concern we will be able to do something collectively.

The Prime Minister (Mr. Mulroney) said he would spend so many millions of dollars over five years. It is like saying there will be so much spent on health care and presumably, when that is gone, there will be no longer be an interest in health care. Of course, we have a much greater commitment to health care than that, but when there is a fixed amount over a span of time it seems to me that it is simply a band-aid approach. I think illiteracy requires a much stronger commitment if we are going to make any inroads.

The Acting Speaker (Mrs. Champagne): Order. It being 5.45 p.m. it is my duty to interrupt these proceedings and put every question necessary to dispose of the supply proceedings now before the House under the provisions of Standing Order 81(14).

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mrs. Champagne): Call in the Members.

The House divided on the motion (Mr. Duhamel), which was negatived on the following division:

• (1750)

(*Division No. 31*)

YEAS

Members

Allmand	Arseneault
Assad	Axworthy (Winnipeg South Centre)
Baker	Barrett

Bélair
Benjamin
Bevilacqua
Boudria
Caccia
Campbell (South West Nova)
Clancy
Copps
de Jong
Duhamel
Fisher
Foster
Funk
Gagliano
Gauthier
Grey (Beaver River)
Harvard
Heap
Hunter
Kaplan
Kilger (Stormont—Dundas)
MacAulay
MacWilliam
Marchi
McGuire
Mills
Nault
Ouellet
Peterson
Pickard
Prud'homme
Riis
Robinson
Rodriguez
Simmons
Stewart
Taylor
Walker
Whittaker
Young (Gloucester)
Bellemare
Berger
Blondin
Butland
Callbeck
Catterall
Comuzzi
Crawford
Dingwall
Ferguson
Fontana
Fulton
Gaffney
Gardiner
Gray (Windsor West)
Harb
Harvey (Edmonton East)
Hopkins
Jordan
Keyes
Langan (Mission—Coquitlam)
MacDonald (Dartmouth)
Manley
Marleau
Mifflin
Murphy
Nystrom
Parent
Phinney
Proud
Rideout
Robichaud
Rocheleau
Rompkey
Speller
Stupich
Volpe
Wappel
Wood
Young (Beaches—Woodbine)—86

NAYS

Members

Anderson
Attewell
Belsher
Bird
Blais
Bouchard (Roberval)
Brightwell
Cadieux.
Cardiff
Chadwick
Clark (Yellowhead)
Clifford
Collins
Atkinson
Beatty
Bernier
Bjornson
Blenkarn
Boyer
Browes
Campbell (Vancouver Centre)
Casey
Champagne (Champlain)
Clark (Brandon—Souris)
Cole
Cook
Cooper
Corbett
Couture
Crosby (Halifax West)
DeBlois
Domm
Duplessis
Epp
Feltham
Fontaine
Gibeau
Greene
Halliday
Hawkes
Horner
Hudon
James
Jourdenais
Koury
Langlois
Littlechild
Lopez
MacKay
Marin
Mayer
McDermid
McLean
Monteith
Nicholson
Oberle
Plamondon
Pronovost
Reimer
Richardson
Shields
Sobeski
Sparrow
Tétreault
Thompson
Tremblay (Rosemont)
Turner (Halton—Peel)
Van de Walle
Vien
Wilbee
Assiniboia)
Worthy—116
Corbeil
Côté
Crosbie (St. John's West)
Darling
de Cotret
Dorin
Edwards
Fee
Ferland
Fretz
Gray (Bonaventure—Îles-de-la-Madeleine)
Guilbault
Harvey (Chicoutimi)
Holtmann
Horning
Hughes
Joncas
Kempling
Landry
Layton
Loiselle
MacDonald (Rosedale)
Malone
Martin (Lincoln)
Mazankowski
McKnight
Mitges
Moore
Nowlan
O'Kurley
Porter
Reid
Ricard
Schneider
Siddon
Soetens
Stevenson
Thacker
Thorkelson
Tremblay (Lotbinière)
Valcourt
Vankoughnet
Vincent
Wilson (Swift Current—Maple Creek—
Winegard

[*Translation*]

The Acting Speaker (Mrs. Champagne): I declare the motion lost.

It being 6.16 p.m., the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

The House adjourned at 6.16 p.m.

HOUSE OF COMMONS

Wednesday, June 14, 1989

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. 0. 31

[*English*]

IMMIGRATION

REQUEST FOR VISAS FOR CHINESE REFUGEES

Ms. Mary Clancy (Halifax): Mr. Speaker, the whole world is watching as the appalling events in China continue to unfold.

Chinese students in Canada are suffering a double burden. In continuing to maintain solidarity with their colleagues who fought tyranny in Tiananmen Square, they also fear for their families in China who may be marked for reprisals because of such student protests here.

Calls come daily from Canadians nation-wide who insist on concrete government action. The Secretary of State for External Affairs (Mr. Clark) has asked for suggestions on such action.

I call on the Government to immediately offer visas for Chinese refugees with family members currently in Canada, and further to offer asylum to any citizens condemned by their own government for their stands on liberty and freedom of expression.

The people of Canada do not wish to stand idly by while justice is mocked in China.

* * *

AGRICULTURE

CALL FOR DROUGHT PAYMENT

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, last week the Prime Minister (Mr. Mulroney) felt compelled to go to Saskatoon to again assure farmers that the Tories are standing behind them. Farmers have heard that so often they are starting to wonder what exactly the Government is doing behind their backs.

Specifically, farmers need to know how much money they can each expect from the drought payment and when the cheques will be in the mail.

They also want to know if the appeal boards will have a mandate to correct the inequities caused by the archaic township-based computer program that the Minister of Agriculture (Mr. Mazankowski) insists on using. This program has already gained the reputation of being one of the most inept ever administered by any government. It would no doubt be a big hit as a comedy of errors, however, these are real people who need real money to pay real bills.

Unfortunately, bankers will not accept hot air, not even hot air from the Prime Minister.

* * *

FISHERIES

CONCERNS OF B.C. FISHERMEN

Right Hon. John N. Turner (Vancouver Quadra): Mr. Speaker, once again the Conservative Government is treating the interests of British Columbia with disdain. It refuses to listen to the legitimate concerns of 25,000 fishermen and fish-processing workers in B.C.

This week, the Fisheries Council of B.C., the United Fishermen and Allied Workers and the Native Brotherhood of B.C. have all come to Parliament to point out the inevitable loss of jobs which will occur because our Government is willing to allow the United States complete access to our raw fish.

Of course, thanks to the Conservative trade deal with the United States, we have lost our primary remedies to respond to the unfavourable GATT ruling. The Government could at least constructively consider the B.C. industry's proposal that Canada implement regulations to ensure that our country's needs for fish are filled before any unprocessed fish is allowed to leave Canada.

The B.C. concerns about taking additional measures to halt foreign over-fishing of Canadian stocks and about relief programs for fishermen and shore workers deserve better than accusations by the Minister of Fisheries and Oceans (Mr. Siddon) about scare-mongering.

People who are losing their jobs deserve fair treatment, not insults.

* * *

ENERGY

TERMINATION OF CEDIP GRANTS

Mr. Lee Richardson (Calgary Southeast): Mr. Speaker, the abrupt termination of CEDIP grants to the oil and gas industry is unfair. Not only was the industry not consulted or even warned about the impending end of this popular program, but the cancellation flies in the face of the Government's own legislation which requires that six months' notice be given to the industry before the program would end. No notice was given.

In fact, assurances were made by the Minister to me and to the industry mere days before the Budget that the program was safe from budget cuts.

The Government has stated that grants will still be processed if companies have legal documentation proving that before April 26 they had intention to drill.

The oil and gas industry is a business where deals are made on the basis of a firm handshake. Certainly, legal documentation follows, but a deal is a deal and to oil men a handshake is as good as their signature on a contract.

We are all concerned about the national debt. Few in the industry would argue that the CEDIP program has not been generous and worth while. Everyone recognizes that the program spent more than originally forecast. Yet, this is a matter of fairness. I and the members of the industry only seek fairness. I certainly hope that latitude will be given for applications considered under the grandfather clause.

SPORTS

USE OF BANNED SUBSTANCES TO ENHANCE PERFORMANCE

Mr. John Brewin (Victoria): Mr. Speaker, we all applaud the fact that Ben Johnson has admitted to the Dubin Inquiry his use of banned substances and his determination to run again for Canada. We hope that this will make a contribution towards changing the direction of Canadian sport, and will contribute to correcting the scandal that took place in Seoul last year.

I note that the Minister of State (Fitness and Amateur Sport) (Mr. Charest) is finally beginning to backtrack from his arbitrary actions taken in Seoul last year. Without prejudging the case, it is important that we all wait until the Dubin Inquiry has handed down its recommendations. But in that regard, I want to advise the House that last night I was able to present to Mr. Justice Dubin the views of a particular group of Canadians who were affected by this, namely, the young people. George J. Elementary School in my riding has issued a bill from their own model Parliament under the introduction of the "Right Hon." Chris Sandham. These views and the views of all Canadians must be taken into account in this sad chapter of Canadian history.

* * *

• (1410)

EXTERNAL AFFAIRS

ACTIONS OF CHINESE GOVERNMENT TOWARD STUDENTS

Mr. Doug Fee (Red Deer): Mr. Speaker, thinking and concerned Canadians continue to express shock and disbelief at the reaction of the Chinese Government towards the peaceful demonstration of students and democratic advocates. Parliamentarians from both sides of this House have expressed their condemnation of these actions.

Several hundred of my constituents have joined other Canadians in an attempt to express their grief and their outrage. In a telegram to the Secretary of State of External Affairs (Mr. Clark), they say:

We cannot stand in silence while we watch the massacre of innocent people in their quest for freedom. To say nothing is to allow the continuance of oppressive acts of violence. This is not acceptable. We must show that we care.

Canadians do care, Mr. Speaker, and this message must be communicated by this Parliament.

* * *

[*Translation*]

LINGUISTIC MINORITIES

20TH ANNIVERSARY OF THE OFFICIAL LANGUAGES ACT AND THE 26TH ANNIVERSARY OF THE COMMISSION ON BILINGUALISM AND BICULTURALISM

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, this week we celebrate the 20th anniversary of the Official Languages Act. It is also the 26th anniversary of the B&B Commission.

Let us take this opportunity to restate our commitment, that of all political parties in this House, to the fundamental principles of justice and equality for linguistic minorities throughout Canada.

The quality of services to these minorities should be maintained and improved. Even today, for example, Franco-Albertans have to fight in the Supreme Court for their basic right to manage their school boards.

The specific characteristics of Québec, a distinct society, must also be recognized and the collective rights of Francophones in Québec must be respected.

Mr. Speaker, this is a week of celebration, but also a week to restate our commitment to justice and equality for linguistic minorities throughout Canada.

* * *

[*English*]

ROYAL CANADIAN MOUNTED POLICE

ALLEGED POLITICAL INTERFERENCE

Mr. Bill Domm (Peterborough): Mr. Speaker, I accuse the NDP Member from Victoria with attempted political interference with the RCMP because of his—

Mr. Speaker: I am sorry, but there is a clear rule that statements cannot be used to make a charge against a Member.

S. O. 31

THE ENVIRONMENT

WASTE ANALYSIS STUDY AT DELTA SCHOOL

Mr. Stan Wilbee (Delta): Mr. Speaker, recently the Delta Senior Secondary School and the Recycling Council of B.C. conducted a waste analysis study attempting to determine what materials make up the school's waste system in a typical day, and how best to structure a school recycling program.

Garbage was divided in 14 recyclable materials by student garbologists, leaving only what could not fit into these categories as true garbage. The waste analysis showed that the recovery of recyclable materials can substantially reduce the amount of waste generated at the school. The Recycling Council of B.C. will be able to take the data gathered in this study to educate other schools on the benefits of school recycling.

The quest for a cleaner environment is one that must be conducted at all levels, and nowhere will these efforts have more impact than at the local level. Like residential curbside collection programs, institutional recycling programs will play a major role in reducing our waste stream and recovering valuable materials.

I commend the students, staff and faculty of Delta Secondary School for their initiative and the example they have set for others.

* * *

AGRICULTURE

P.E.I. POTATO INDUSTRY

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, the potato industry represents a major economic sector of Prince Edward Island, with 80 per cent of production in the seed potato industry.

Producers are burdened by increased costs of production placing them at a definite disadvantage in the Canadian market-place.

Inspection fees, Mr. Speaker, are a burden to Island potato producers. These inspection fees, as regulated by the Government, are another financial assault against the agricultural industry of my province. The primary producers of Prince Edward Island addressed this Government on May 29 with a strong voice. The Government must stop this unfair, unreasonable and discriminatory tax against Island potato producers.

THE ENVIRONMENT

DISPOSAL OF GARBAGE IN HALTON REGION

Mr. Garth Turner (Halton—Peel): Mr. Speaker, my riding is choking on garbage.

In the Halton region every bag of garbage is exported to the United States. It goes to an incinerator in New York State, an incinerator which does not meet pollution control standards in effect in Ontario. As a result, air pollutants find their way back across the border. Also, taxpayers pay $1 million a month to export this waste.

Meanwhile, the search is on in many municipalities in Halton—Peel for a new landfill site. Millions of dollars have been wasted as communities sue each other over the proposed location of one new dump. This is, of course, environmental and economic insanity.

The greater Toronto area has a garbage crisis, and I urge the federal Government to work with regions and the local municipalities to find a solution. Let us establish a super waste management agency. Let us flex the federal muscle and break the impasse which has resulted in this embarrassing export to the United States of our own garbage.

* * *

ROYAL CANADIAN MOUNTED POLICE

ACTION AT LES ESCOUMINS

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, before dawn on June 13, a large group of 40 Mounties invaded a small native reserve east of Quebec City. The RCMP drove to the community of Les Escoumins armed with search warrants, raided the Band office and retrieved boxes of documents, files and computers. The Solicitor General must explain to this House what the rationale was for this startling invasion into one of the smallest reserves in Canada.

Later another squad of police arrived with helmets, clubs and used tear gas on the reserve members. What could justify this drastic action of the RCMP at the reserve where there were as many authorities charging the community as there were residents living there?

Will the Solicitor General conduct an investigation into the Mounties' actions and assure Members of this House that this type of action was indeed justified?

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

RECALL OF CANADIAN AMBASSADOR TO CHINA

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in the absence of the Prime Minister, may I put a question to the Deputy Prime Minister?

While we approve on this side of the House the Government's decision to recall our Ambassador to China, and I have high personal regard for Ambassador Earl Drake, it is very clear that the Chinese authorities so far have not listened to or responded to world protest.

Will the Prime Minister haul in the Chinese Ambassador to Canada and tell him personally that the Chinese Government's decision this week to hunt down those peaceful student demonstrators and treat them as war criminals is nothing short of ruthless and vile totalitarian repression?

Will the Prime Minister also tell the Chinese Ambassador personally, in the bluntest terms, that Canadians have the deepest empathy for the Chinese people and students but no sympathy at all for the police state tactics being used in such brutal fashion against the students.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think it is a constructive suggestion, in light of the ongoing repression in China, that the Ambassador be called in.

I will certainly communicate to him the opinion of the Government of Canada on these matters and I will underline, as the Right Hon. Leader of the Opposition and other Members of this House have, that the position we are taking is emphatically not an anti-China position. We are seeking to encourage those forces of openness and democracy in China, and to protest in the strongest possible terms the repressive actions being undertaken by their Government.

[*Translation*]

REQUEST FOR TABLING OF RESOLUTION WITH THE UNITED NATIONS GENERAL ASSEMBLY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I thank the Secretary of State for his constructive answer. I must also say that we respect the Prime Minister's decision to support any action that the United Nations Security Council might take, but I do not believe that is enough.

Will Canada take the initiative of asking first Mikhail Gorbachev to take a stronger position against the Chinese Government, and with the support of the Soviet Union, take the initiative of confronting China openly at the United Nations? That is, will Canada take the initiative of presenting a resolution condemning the action of the Chinese Government and trying to convince other countries at the United Nations General Assembly to support this initiative and this resolution?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as the House knows very well, the Canadian Government has played an active role with other countries in taking concrete measures that can have an impact on the Chinese Government's decisions. I am interested in the suggestion by the Right Hon. Leader of the Opposition that we might encourage the Soviet Union. We are certainly thinking of having discussions with all countries that might be encouraged to take common action.

I believe that the Leader of the Opposition is not looking for empty gestures, or actions that can have no impact, and neither am I! But, in the United Nations or through bilateral talks with other countries, we hope to find ways to put pressure on the Government of China.

• (1420)

[*English*]

GOVERNMENT VIEWS ON WORLD TRADE SANCTION PROGRAM

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I think the Secretary of State is perfectly correct. At this stage we have been talking about the pressure of world opinion and moral suasion. That was certainly the purpose of the unanimous resolution adopted by the House of Commons. That would be the purpose of a resolution introduced by Canada at the United Nations.

Given the Chinese Government's refusal so far to listen to any reason on this issue, there may be one additional area that Canada would like to explore with other nations around the world that might have a little more clout with the Chinese authorities. What are the views of the Secretary of State for External Affairs and the Government on consultations with other countries about the possibility of moving toward a concerted world trade sanction program against China?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I would think that it may be premature on June 14 to start detailed discussions about anything of that kind.

We are, as the Right Hon. Leader of the Opposition knows, involved in consultations with a number of other countries regarding the most effective means that might be open to us. I told the House last week, I believe, that the Government of Canada was prepared to re-examine the range of our programs with China. Indeed, given the importance of this matter, we are convening a national round table of Canadians expert in Canada's relations with China and in the situation in China to be sure that the actions we take will have the most enduring and constructive long-term effect.

There are some actions that it might be appropriate to bring to the attention of the House that, in their way, can have some real impact. One of those is the decision of Radio Canada International, which I want to commend, which has moved up by ten months its capacity to broadcast into China. Broadcasting will begin on June 20 and will provide a counter to the very extensive and blanketing program of propaganda being issued in China by Chinese authorities.

* * *

HOUSING

COST OF DOWN PAYMENT ON FIRST HOME

Mr. Joe Fontana (London East): Mr. Speaker, my question is directed to the Minister of State for Housing. In a nation-wide Decima survey conducted last September for CMHC, 58 per cent of the people polled said that the amount of money required for a down payment on a house was too high to handle. As well, 53 per cent of

them also felt that finding a house that they could afford to buy was a major problem

On June 9, the Royal Bank of Canada confirmed that things have become so bad that even a starter home is now out of reach for millions of Canadian families. In Vancouver, it takes more than 65 per cent of a household's income to cover the cost of an average starter home. In Montreal it is nearly 50 per cent, and in Toronto it takes up to more than three quarters of a family's income.

The Government has known about this developing crisis for at least nine months and still has not lifted a finger to relieve the situation. What does the Minister plan to do now, not next month or next year, to help Canadians who want to buy a home but find the prices too insanely high to afford?

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, as the Hon. Member knows, the affordability situation across the country varies greatly. Certainly in places like Toronto, Vancouver and Montreal there is a very substantial affordability situation. In places like Calgary, where I visited yesterday and Edmonton the day before, the situation is not as severe as it is in those other places.

We have some broad national policies that we are trying to apply on a very targeted basis to see if we can assist this. At the moment I am trying to develop with provincial Ministers and the municipal officials some tripartite committees in order to target our programs, to improve the affordability situation.

We have some other programs as well that we are looking at for in the immediate and long run. I trust that all of these will help the affordability situation before too long.

AFFORDABILITY OF HOUSING

Mr. Joe Fontana (London East): Mr. Speaker, let me remind the Minister that in this same government survey, 58 per cent of Canadians want the Government to do something about housing. The fact is that the Government has done absolutely nothing for housing affordability. In fact, it has done the opposite. It has increased interest rates, it has higher taxes on construction materials and now has a goods and services tax. It has a direction from the Minister to CMHC that says—

Mr. Speaker: Perhaps the Hon. Member could put his question.

Mr. Fontana: It just sets off alarm bells. The alarm bells have already been set off. Can he tell Canadians—

Mr. Speaker: I would ask the Hon. Member to put his question.

Mr. Fontana: Mr. Speaker, enough of this mumbo-jumbo he keeps spouting off in the House, I want to ask the Minister to tell us what Canadians can expect from—

Mr. Speaker: The Hon. Member for Oshawa.

* * *

FISHERIES

REDUCTION IN SUPPLY OF FISH FOR PROCESSING

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. On November 17, 1987, in British Columbia, the Minister said in regard to the processing of fish in that province: "I give you my assurance that those jobs will be saved". The next day in the House, when I asked the Minister a question about the same concerns of British Columbians in this sector, he said to me: "The Government will not allow jobs historically established to be threatened".

As the Minister knows, regulations subsequently tabled by himself and the Government have led, as the documents state themselves, to a reduction in supply of fish for processing, resulting in precisely the loss of jobs that the Minister said would not occur.

Will he now admit that he misled the people of British Columbia about these jobs and, if so, what does he plan to do about it?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, in fact, the circumstances are to the contrary. It is the Hon. Leader of the New Democratic Party who is misleading the people of British Columbia because no jobs have been lost and there is no proof that any jobs will be lost. Indeed, the new landing regulations which this Government has enacted to replace those which the international trading community said were discriminatory, unfair and illegal measures, will protect, enhance, and reinforce the opportunities available to our Pacific Coast fishing industry.

Mr. Broadbent: Mr. Speaker, the people of British Columbia in particular will know what utter nonsense the Minister just stated.

EXPORT OF UNPROCESSED FISH

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I ask the Minister not simply to rely on what we say on this side of the House. One of his own Members, the Member for South Shore, said recently in reference to the export of unprocessed fish from Nova Scotia, which the Minister for International Trade has acknowledged is leaving at a rate of 80 million pounds a year, is costing Nova Scotians 1,000 jobs. If the export of that unprocessed fish from Nova Scotia is costing 1,000 jobs, why does not the same reasoning apply to British Columbia? Are we not getting the same proportionate loss of jobs? Why does the Minister not honestly admit it?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, under the previous discriminatory regulations which were not GATT consistent, there was no protection to ensure that our chinook, coho and chum salmon would be brought to Canadian shores, thereby providing additional opportunities for that fish to be processed in British Columbia. The new regulations ensure that all five species of British Columbia salmon and herring shall be brought to shore, and landed at Canadian ports. We expect, therefore, that it will be processed there.

• (1430)

I might add that if we do not intend to play in the international trading arena by exporting our fish products, 80 per cent of which go to export, we will surely not have the jobs that the Member is so concerned about.

Mr. Broadbent: There is a vigorous defence of Canadian interest. Only a Conservative Minister would say that processing requirements to keep Canadian jobs was discriminatory.

IMPACT ON PROCESSING JOBS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Minister for International Trade who did admit that when it comes to Nova Scotia we were losing some 80 million pounds of unprocessed fish last year.

If that is the case, does the Minister agree with his own Member who said that this is costing us 1,000 jobs a year in Nova Scotia? If so, would he admit that the agreement he signed on behalf of the people of Canada, which has resulted in the kind of regulations his colleague has referred to and means the loss of processing jobs, means that we are losing at least 1,000 jobs a year in Nova Scotia every year as a result of this incompetence and an equivalent amount in British Columbia? The bottom line is that the Government has given up Canadians' rights on both coasts to process their own fish.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the Hon. Leader of the New Democratic Party is a ferocious supporter of the GATT system. Under the GATT system in 1986—

An Hon. Member: Why did you not appeal it?

Mr. Crosbie: —the United States made a complaint that Canadians would not permit salmon and herring to be sold to their processors while the Americans were permitting salmon to be sold to Canadian processors.

As a matter of fact, 15 per cent of the salmon processed in British Columbia is purchased from American fishermen.

An Hon. Member: Fifty per cent.

Mr. Crosbie: Fifteen per cent. The United States Government launched a protest and asked for a GATT panel and that panel ruled against Canada.

Mr. Broadbent: Why did you not appeal it?

Mr. Crosbie: There is no appeal. The Hon. Leader of the New Democratic Party is abysmally ignorant in this as in so much else. There is no appeal.

We have replaced the offensive regulations with a new set of regulations requiring salmon and herring to be landed and inspected for management and conservation purposes in British Columbia. The hon. gentleman should be supporting that and helping us to defend those, not with these cheap silly attacks in the House of Commons.

* * *

TRANSPORTATION

RELEASE OF VIA RAIL STUDY

Mr. George S. Rideout (Moncton): Mr. Speaker, in the absence of the Minister of Transport, my question is for the Minister of State for Transport.

The VIA Rail business plan which is due this month but is already being implemented, with severance packages being discussed and cancelling of bookings on

trains, is supposed to detail how VIA Rail will operate within the budget cuts.

Second, a far more important study has been done which details the extensive VIA Rail study and points out just exactly where the corporation will be going to the year 2000.

In light of that and given that the business plan will destroy VIA, will the Minister of Transport or the Government commit on the floor of this House to release the complete VIA study before VIA Rail is destroyed?

Hon. Shirley Martin (Minister of State (Transport)): Mr. Speaker, as the Hon. Member has mentioned, the business plan from VIA will be in our hands at the end of June. When we receive that plan, we will look at it and all other studies and will make the decisions necessary at that time.

GOVERNMENT RESPONSE

Mr. George S. Rideout (Moncton): Mr. Speaker, the detailed study which has been commissioned gives a lot of information and new novel ideas as to how to maintain rail passenger service in this country. By waiting and allowing the business plan to be implemented before that study is released or looked at will cause VIA Rail to be out of business.

Would the Minister please confirm that this Government is not interested in the facts, is not interested in saving VIA Rail, but is out to destroy that rail company?

Hon. Shirley Martin (Minister of State (Transport)): Mr. Speaker, on the contrary. We do believe in the facts and that is why we do not make decisions until we get them.

* * *

CANADIAN BROADCASTING CORPORATION

CANADIANIZATION PROGRAM

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, in the absence of the Minister of Communications, I have a question for the Deputy Prime Minister.

I am informed that an internal CBC memo, dated May 29, reveals that its Canadianization program has been put on hold for this year. Even before the massive cuts announced in the Budget take effect, the CBC has had to abandon its goal of 95 per cent Canadian content in prime time. Also, just last year in June, a communications policy document stated that the Government supports Canadianization at the CBC.

I ask the Deputy Prime Minister the following questions: Does this Government still support Canadianization at the CBC? If so, will the Deputy Prime Minister ensure that the CBC has sufficient funds to allow Canadianization to proceed?

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, of course the Government supports the objective of Canadianization of the Canadian Broadcasting Corporation. I believe that the Canadian Broadcasting Corporation, as befits any arm's length agency, is conducting internal studies as to what its priorities will be in light of the Budget.

APPOINTMENT OF NEW PRESIDENT

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, my supplementary question is for the same Minister. It is pretty clear that despite support of Canadianization the Government has not provided the funds so that the CBC can live up to its mandate.

Will the Minister at least provide support to the CBC in this time of crisis at the corporation? Will he tell Canadians this afternoon that he will recommend to Cabinet that it appoint a new CBC president before Mr. Juneau steps down next month?

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I do not believe that there will be a vacancy to fill until the president and chairman of the Canadian Broadcasting Corporation takes his retirement. The Government is well aware that that vacancy is about to occur and of course is making the appropriate plans.

* * *

NATIONAL DEFENCE

ENVIRONMENTAL IMPACT OF LOW LEVEL FLIGHTS

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Minister of National Defence.

Would the Minister explain to the House why the Government has chosen to inform the United States of approval for low level bomber runs by the United States Air Force in western Canada prior to informing Cana-

dians and prior to the release of the environmental impact on public health of low level flights contained in the impact study of such activities in Labrador?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, the Hon. Member is not accurate in his statement. That is not unusual.

The release was not made to the United States. The request for low level flying and the necessary training was made by the Binational Command of NORAD, the North American Air Defence, which the Hon. Member knows has a responsibility for the defence of North America. That request was made in 1985.

Environmental impact studies have been concluded since that time. There were 53 recommendations made by a private company from Vancouver, Environmental Sciences. Out of those studies, we were able to comply with 53 of the 54 recommendations. We have consulted with communities in both the Northwest Territories, Alberta, and British Columbia.

Therefore the time to make the announcement is now so that flights can take place, which will be four times a year. This is consistent with flights that already take place in Quebec, New Brunswick, and northern Ontario.

CONSULTATION WITH WESTERN CANADIANS—MINISTER'S POSITION

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is for the same Minister. It is interesting that most jurisdictions in the United States will not allow or will not agree to these low level flights.

The mass low level bomber runs pose a risk to birds, wildlife, pilots, and the public. Three U.S. B–1Bs crashed in the 14 months between September 1987 and November 1988, including one to a bird strike on a low level flight, killing three officers on board. The B.C. route is overhead 19 Indian bands who have not been consulted. Some of the aircraft will be armed, as was confirmed to me by the former Minister of National Defence.

Does the Minister not believe that Canadians in western Canada have a right to know in advance, have a right to be consulted, and a right to say no to these offensive low level flights?

• (1440)

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, I find it very strange that members of the New Democratic Party first of all say that we should remove our troops from Europe, that we should get out of NATO in support of that alliance, and now suggest that we should not share the burden of the defence of the North American continent.

The consultations that took place as well as the environmental impact study have been done since 1985. We are talking about the air space in Canada and the training of Canadian pilots to defend Canada and North America.

The discussions that took place over the last four years show that we have charted a route through consultation and meetings held in at least the Northwest Territories, Alberta, and British Columbia regarding routes 910 and 920.

Those routes can be altered if it is shown that there may be jeopardy. These routes are flown four days in a 365-day period. The routes are not harmful to any environment, including the human environment.

* * *

THE BUDGET

EXAMINATION OF LEAK—ROLE OF PROVINCIAL AND FEDERAL OFFICIALS

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Minister of Justice. Yesterday, we had a clear contradiction between the statement of the Mounties and the statement of the Minister of Justice about the role of the Minister's officials in dealing with the examination of the budget leak.

The Mounties said quite clearly yesterday morning that these officials are their lawyers and that federal officials gave them direct advice about whether or not to lay charges, so much so that they cloaked the advice in solicitor–client privilege.

The Minister, on the other hand, claims that his officials were brought in only at the request of provincial officials at Queen's Park and only for normal consultations with the provincial officials. Which version is correct?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, all of this was laid out in an *aide–mémoire* which was given to the Leader of the New Democratic Party some 10 days ago. In that *aide–mémoire* it states very clearly: "Law officers of the Department of Justice became involved in this matter in the normal course as legal advisers to the Government and the RCMP".

GOVERNMENT RESPONSE

Hon. Bob Kaplan (York Centre): Mr. Speaker, why, as recently as yesterday, did the Minister say that the officials were brought in at the request of Queen's Park?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker,—

Mr. Simmons: Take a deep breath, Doug.

Mr. Lewis: If one reads on a little further in the *aide-mémoire* which was made public, one will see: "The RCMP consulted Ontario Crown law officers as to what charges were warranted. During these consultations it was agreed that there should be consultations on certain matters between the Ontario Crown law officers and the Justice Department".

Some Hon. Members: Hear, hear!

* * *

CANADA PENSION PLAN

REQUEST FOR AMENDMENT OF ACT—DISABLED PERSONS

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, my question is for the Minister of National Health and Welfare who will know that several hundred Canadians paid into the Canada Pension Plan who subsequently left their employment owing to a previous disability but who have had their applications for a Canada Pension Plan disability pension denied because their applications failed the so-called test of recency.

Will the Minister consider amending the Act in order that these deserving and needy disabled Canadians can have the pensions to which they are entitled in spite of their failing to meet the test of recency?

In other words, these delays are occasioned in part as a result of the very disability which caused them to leave their jobs. Would the Minister please indicate whether he can address the situation?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, I know that this has been a matter of concern for the Hon. Member for some considerable period of time. At the present time he has a motion on the Order Paper which recommends that the Government consider opening up the Canada Pension Plan Act to make these amendments.

The Government has no current intention of reopening the Canada Pension Plan Act. However, should that arise, we will certainly take into consideration the recommendations of the hon. gentleman.

* * *

[*Translation*]

FEDERAL-PROVINCIAL AGREEMENTS

REQUEST THAT DEPUTY PRIME MINISTER CONFIRM EXISTENCE OF CERTAIN CUT-BACKS

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, my question is directed to the Deputy Prime Minister. The Minister of Regional Industrial Expansion and Minister of State for Science and Technology blames the Government of Québec for the inexcusable delay in implementing the Canada-Québec agreements. In doing so, the Minister is trying to distract attention from the cutbacks he made in the regional development budget.

Mr. Speaker, I have here a letter dated May 2, sent by the Minister to Minister Gil Rémillard, in which he announced that there would be cuts totalling $470 million in the Canada-Québec subsidiary agreements.

Could the Deputy Prime Minister confirm these cutbacks in the amount of approximately $470 million?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, we have three programs under the agreement, and we hope that the Government of the Province of Québec will submit these programs as soon as possible. We are waiting.

QUESTION REITERATED

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, I have here a letter dated May 2, in which the Minister confirms that he had to abandon—that there will be no funding for the subsidiary agreements that would have become effective on March 31, 1990, and which would have only involved the sum of $274 million instead of $745 million. That makes a difference of $470 million, Mr. Speaker. I wish the Government would confirm these cuts today instead of blaming the Government of Québec. Ottawa is cutting back, not the Québec Government.

[*English*]

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, as I indicated before, this program is made up of three components. They are programs delivered by the federal Government, programs delivered by the provincial Government, and joint programs.

The expenditures under these programs will depend upon all the participants coming forward. We are still waiting for the Province of Quebec to come forward under the joint program component and its own part of the program.

* * *

FREE TRADE AGREEMENT

CLOSURE OF GLASS MANUFACTURING PLANTS

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, in the absence of the Prime Minister I wish to direct my question to the Deputy Prime Minister.

The Minister will know that Consumers Packaging, Canada's only glass manufacturer, announced recently the closure of its glass plant in Ville St. Pierre, Quebec, with the loss of 450 jobs.

This Friday the company will announce its decision to shut a second plant either in Alberta or British Columbia with the loss of a further 300 to 450 jobs. The chief executive officer of the parent company has acknowledged that these closures are to keep the industry competitive in response to the elimination of Canadian tariffs in light of free trade.

Will the Deputy Prime Minister explain to the 700 to 900 Canadian workers who are about to lose their jobs where to apply for the massive readjustment programs that the Prime Minister promised the Canadian people during the election campaign?

Some Hon. Members: Hear, hear!

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I have a list here which is seven or eight pages long setting out plants that have expanded and factories that have expanded—

Mr. Broadbent: Table it.

Mr. Crosbie: —as well as new investments that have been made because of the Free Trade Agreement.

For example, Miramichi Pulp and Paper in Newcastle has hired 300 new employees and will hire an additional 100 in the fall as part of a $480 million expansion plan made possible by the Free Trade Agreement.

There is page after page of examples that we can give. It is completely unproductive to make these unsubstantiated and silly allegations in the House about such matters.

IMPACT OF POSSIBLE PLANT CLOSURE ON OKANAGAN

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, if the British Columbia plant located in the riding of Okanagan—Shuswap is the western plant to close, 450 people are going to be thrown out of work and there will be a loss of $32 million to the local economy.

Some Hon. Members: If!

Mr. MacWilliam: How can the Prime Minister possibly call free trade a benefit to the economy of the Okanagan when this is the kind of result that occurs?

Some Hon. Members: Hear, hear!

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, how the people of the Okanagan wish that they had their former Member back representing them now.

Some Hon. Members: Hear, hear!

Mr. Riis: Name one.

Mr. Broadbent: Why is he not here?

Mr. Crosbie: As a matter of fact he is close to us now, Mr. Speaker, watching us.

Just to give some examples from British Columbia, Alcan Aluminum is investing $48 million in its Kitimat plant.

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Member for Calgary Southeast.

• (1450)

EXTERNAL AFFAIRS

FRANCOPHONE SUMMIT—CONSENSUS RESOLUTION ON MIDDLE EAST

Mr. Lee Richardson (Calgary Southeast): Mr. Speaker, in view of Canada's support for the consensus resolution on the Middle East at the recent Francophone Summit, will the Secretary of State for External Affairs advise the House regarding Canada's position on direct negotiations between Israel and the Arab countries?

Does the Secretary of State believe that the holding of elections in the Gaza and the West Bank could be a step forward in the process of reconciliation between Israel and the Palestinians?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there are two points that I would like to make. First, the Hon. Member referred to the consensus resolution at the Francophone Summit. I think it is worth recording that Canada participated actively in forming that consensus, and indeed I think it could be said that as a result of our actions at that summit the resolution appears in the relatively moderate form that it does.

Second, on the question of elections, we believe that the proposal by Mr. Shamir is a small but significant step forward. We think that there needs to be more precision. It would help if there were a specification of the conditions under which elections could occur. We think it is an important beginning that should be built upon by all parties.

* * *

OCCUPATIONAL HEALTH AND SAFETY

WITHDRAWAL OF FEDERAL SUPPORT OF CENTRE

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, my question is for the Minister of Labour. In the April 17, 1978 debate in this House, the Canadian Centre for Occupational Health and Safety received all-Party support. In fact, the then labour critic is quoted in *Hansard* as saying:

> This Party supports the Bill because we believe that health and safety in the workplace are of vital importance.

Based on this information, why does the Minister of Labour feel that the Government has to withdraw its financial commitment from this centre which needs $8 million annually to operate? Why is the Government killing this particular centre through financial strangulation?

Hon. Jean Corbeil (Minister of Labour): Mr. Speaker, I would like to commend the Hon. Member of the Liberal Party for asking this question about the CCOHS, which I think is an organization that has done a tremendous job over the past 10 years.

Some Hon. Members: Hear, hear!

Mr. Corbeil: We are certainly determined to see that the centre will continue operating because it has produced a kind of information and a product that is easily marketable. We feel that with the consent and concurrence of the Council of Governors, it will be able, over the next few years, to find all the necessary funding to ensure that this operation will continue.

IMPACT OF CUT-BACKS ON CENTRE—GOVERNMENT POSITION

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, the loss of funding to the Canadian Centre for Occupational Health and Safety will undoubtedly result in financial stress and possibly in closure.

My question is for the Minister of Labour. Is he aware that the centre had planned to expand its information systems to include environmental pollutants? Given the importance the Prime Minister has placed on the environment, how can the Minister justify this $8 million cut to the centre?

[*Translation*]

Hon. Jean Corbeil (Minister of Labour): Mr. Speaker, as I said yesterday afternoon, the Government of which I am a member is proud of its funding of CCOHS in recent years. I would like to point out that in the six years the Centre operated under the Liberal Government, funding provided by the government of the time amounted to $3 million annually. During the five years this Government has been in power, annual funding has been increased to $8 million. I think these figures are self-explanatory, Mr. Speaker, and that they demonstrate the interest this Government has in the Centre. In fact, we are absolutely convinced that the quality of the product it offers will enable the Centre to become self-financing without any problem within the next few years.

[*English*]

INDIAN AFFAIRS

NATIONAL REVIEW OF EDUCATION—GOVERNMENT RESPONSE

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development.

The Assembly of First Nations has conducted a national review of education. The four-volume study, done at a cost of $6 million plus support services to his Department, was sent to the Minister on March 9, 1989. Is the Minister committed to the major recommendations contained in the national review of education? Will he ensure sufficient funding to implement the major recommendations of this review?

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): Mr. Speaker, as indicated by the Hon. Member, the study did cost approximately $6 million, was four years in the making, and is being reviewed by the Department right now.

FOLLOW-UP TO REVIEW—MINISTER'S POSITION

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, when can the Assembly receive the Minister's answer with respect to the follow-up on the review? Will the Minister make available the funding requested by the Assembly so that aboriginal peoples can disseminate the report to all their communities?

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): Mr. Speaker, as I indicated last night to Chief Erasmus and other representatives of the AFN, the review should be completed soon.

* * *

OCCUPATIONAL HEALTH AND SAFETY

GANDER AIR CRASH—EFFECTS OF CLEAN-UP

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, my question is directed the Minister of National Health and Welfare.

Yesterday the Minister tabled a report called *Health Effects at the Site of the Gander Arrow Air Crash*. The Minister advised the committee that Department of National Defence workers and Canadian Aviation Safety Board workers were not included in the study, that DND and CASB were waiting for this report before acting.

Will the Minister ensure that all workers involved in the Gander crash clean-up will be tested and monitored?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, we have been in touch with the other Departments involved. DND is doing its own study and has its own medical resources to do so. We have shared the results of this study with other Departments and are working very closely with them to ensure that the recommendations are fully implemented.

CONTENTS OF CARGO

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, my supplementary question is for the same Minister. In addition to ensuring that the tests and monitoring of DND and CSAB workers take place, will he insist that the U.S. Government come clean on the contents of the cargo of that plane so that the monitoring will be done with the full knowledge of what substances the workers were exposed to?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, my Department, when it was conducting the study, was in touch with the Canadian Aviation Safety Board which gave a list to us of any materials found at the crash site.

It would be helpful to my researchers to be able to look at those materials found there to determine whether or not toxic materials could have been created which could have caused the symptoms in question.

We have no evidence whatsoever to suggest that the symptoms which have been felt by the workers at the site have been caused by exposure to toxic materials. Indeed, all the symptoms which have been disclosed are totally consistent with post-traumatic exposure syndrome which was discussed in the report itself. It is an excellent report, and we intend to see that its recommendations are implemented.

* * *

FISHERIES

CANADA-FRANCE AGREEMENT

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I have a question for the Minister of Fisheries and Oceans. It relates to that infamous Canada-France fish deal signed back in April some time, in which the

Government knuckled under to the Government of France in allowing French inspectors to board our vessels within our 100-mile limit.

To add insult to injury, we now find that prior notice must be given to the Government of France to let it know when our inspectors will board its vessels. Will the Minister tell us why those silly conditions were put in the agreement and how many inspections have taken place to date?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I am sure that on reflection the Hon. Member will admit that this infamous deal, as he describes it, will bring untold and permanent benefit to the fishermen of his constituency.

The Hon. Member understands that the essence of the dispute was an area to the south of the Islands of St. Pierre and Miquelon which both countries claimed. Is it understood, Mr. Speaker, that we are talking about a disputed zone which Canada claims is Canadian and which France claims is French? The French agreed to reduce their overfishing by more than 10,000 tonnes per year in the disputed zone, and we arranged with France that we would have our inspectors board their vessels and they would board our vessels for the purpose of ensuring that the landings records, which were kept by each country when their offshore trawlers fish in the disputed zone, were accurate.

• (1500)

This process is ongoing at present. I am advised that a Canadian fisheries officer is presently on board the French patrol vessel *Rhones* for the very purpose of inspecting the daily records of catch to ensure that France does not exceed its commitment to not overfish in the disputed zone.

Mr. Simmons: I understand it full well, Mr. Speaker. But does the Minister understand which side he is supposed to be fighting for on this issue?

Some Hon. Members: Hear, hear!

OVERFISHING IN DISPUTED WATERS

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, if the purpose of this exercise is to monitor French overfishing that is a sick joke and the Minister knows it.

Given the prior notice, which must be like the RCMP saying it will only enforce impaired driving charges two nights a week or something—because he has to have the element of surprise—

Mr. Speaker: I ask the co-operation of the Hon. Member. Given the time I asked for a short supplementary. It will be a short supplementary, please.

Mr. Simmons: Mr. Speaker, I ask the Minister, how will we know that the French are not continuing to rape our stocks as they have done with his blessing during the past four years?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I think the House would want to know for which side the Government is fighting.

Some Hon. Members: Hear, hear!

Mr. Siddon: The Hon. Member will want to know that the Government is fighting for the constituents of the riding of Burin—St. George's which is more than he did as a member of the Government which condoned French fishing in our waters—legal French fishing—

Mr. Simmons: Not true.

Mr. Siddon: —in the amount of 28,000 tonnes per year, an amount which we have reduced to approximately 12,000 tonnes.

[*Translation*]

Mr. Speaker: The Member for Témiscamingue (Mr. Desjardins) wishes to raise a question of privilege. The Hon. Member for Témiscamingue.

* * *

PRIVILEGE

MR. DESJARDINS–RINGING OF BELL FOR VOTE

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, I wish to raise a question of privilege because last night, my rights as a parliamentarian were breached. When the vote was called last night at 6 p.m., as scheduled, I was involved in a working session with two colleagues and three other people in Room 523 of the Wellington Building. None of the six people present, Mr.

Speaker, heard the divisions bells ring between 5.45 p.m. and 6.00 p.m. Mr. Speaker, my rights as a parliamentarian were breached because I was unable to exercise my right to vote last night, at 6 p.m.

I would ask you, Mr. Speaker, to make inquiries about the situation we had yesterday in Room 523 in the Wellington Building, to ensure that there are no recurrences, all in the best interests of all Members of this House.

Mr. Speaker: I understand the problem. It isn't just a problem for the Hon. Member for Témiscamingue. We have a problem, and I will immediately make inquiries in order to correct it. I hope that in one or two days or by the end of this week, the problem will be dealt with.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

STANDING ORDER 39(6)—SPEAKER'S RULING

Mr. Speaker: The Chair is now prepared to rule on the point raised on May 29 and May 30, 1989 concerning the uses of Standing Order 39(6) and Questions on the Order Paper.

Before summarizing the situation, I would like to say a word of appreciation for the contribution that Members made to this somewhat complicated question. I should remark that it is really a complicated question and this ruling will take a little time.

It would be appropriate at this point to outline succinctly the procedure on written questions. It provides that Members seeking from the Ministry information relating to public affairs may place on the Order Paper after due notice of 48 hours up to four written questions at any one time. There are several restrictions covering the form and content of such questions. For example, argumentative material or unnecessary facts are not allowed, nor is the offering of opinions on a question. Also, no debate is permitted when a question is put on the Order Paper or when it is answered by the Government. The Clerk of the House has the responsibility to ensure that coherent and concise questions are placed on the Notice Paper as stated in Standing Order 39(2).

Finally, a Member may require that up to three of the four questions be given an oral answer in the House and may also request that the Ministry respond to the question within 45 days.

[*Translation*]

In due course, the Minister to whom a written question is addressed will answer it, usually through the Parliamentary Secretary to the Government House Leader. The answer can be given orally in the House, if an oral answer has been requested, or by handing a written document to the Clerk during Routine Proceedings. Whether the answer is given orally or in writing, the full text will be printed in the Debates of the same day. However, on occasions, because of the length of an answer, a request is made by the Government to have the question made an order for return and the answer is then tabled in the House and filed as a sessional paper which is available, on request, to all Members.

[*English*]

Let me now summarize the procedural difficulty which I was asked to examine on May 29 and May 30. Briefly, Standing Order 39(6) states that at the request of the Government the Speaker examines a particular question or questions and, if it appears that a question "is of such a nature as to require a lengthy reply, the Speaker—may direct the same to stand as a notice of motion—upon the Order Paper," with such changes in form as are required for this transformation.

On May 29, the Parliamentary Secretary to the Government House Leader (Mr. Cooper) asked the Chair to deal with seven Order Paper questions in relation to Standing Order 39(6), namely, Questions Nos. 45, 52, 53, 62, 64, 83 and 88.

I advised the House at the time that the Chair would wish to consider the matter with great care and invited interested Members to make comments at a later date.

[*Translation*]

The next day, a number of Members came forward to assist the Chair in analysing the question. As I have said, these remarks were very helpful.

[*English*]

The Parliamentary Secretary to the Government House Leader stated what I believe all Members can agree with: that the process of placing questions on the Order Paper is important and fundamental, both to the House and to individual Members on all sides, and that it is a process well worth examining. He then went on to point out that some questions asked are so complicated, require the gathering of so much new information that they are impossible to answer within a 45-day limit and in some cases difficult to answer at all. He said, and I quote his words from page 2338 of *Hansard* of May 30, 1989:

Speaker's Ruling

There is no longer a concern about how impossible it may be to answer.

I think we would also have to agree that this is sometimes the case. The Chief Government Whip as reported at page 2340 of *Hansard* commented that "the form in which some come forward to Government put a kind of strait-jacket on us". He also reminded the House that, as I have remarked on many occasions before, the Chair must interpret the Standing Orders as they exist. If some aspect of the rules are unsatisfactory to the House, it is the House that must provide the remedy. The Chief Government Whip's reference to the number of unanswerable questions in the last Parliament points out a particular problem, and I was very interested in his suggestion, minor alterations in form might have made it possible to answer many of those questions fairly quickly.

• (1510)

[*Translation*]

The Hon. Member for Ottawa—Vanier (Mr. Gauthier) argued ably for a continuation of current practice in regard to these questions: that is the transformation of questions requiring long answers into Orders for Returns—the latter to be tabled immediately, or at some later time. He stressed the role of the Chair as the protector of all Members' rights: a role that the Chair must certainly always bear in mind.

[*English*]

The Hon. Member for Kamloops (Mr. Riis) indicated the possibility that the practices of the House may have changed so greatly in the last 60 years that to invoke a rule which has fallen into disuse as it stands may be to risk moving counter to the spirit in which it was originally adopted. Both he and the Hon. Member for Hamilton East (Ms. Copps) put the matter in the context of the recent parliamentary reforms which have done so much to revitalize the House.

The Hon. Member for Okanagan—Similkameen—Merritt (Mr. Whittaker) pointed out that there is very little explicit indication in the Standing Orders of what length or degree of complication a question should have. The Hon. Member for Mackenzie (Mr. Althouse) was able to assist us with his experience on the McGrath Committee where such guidelines had been discussed.

He went on to make several other points that the Members of the House ought to be left to decide for themselves whether or not to give notice of a motion similar to their question; that the framer of a question is a participant in the process and should expect the quality of the question to have a strong effect on the framing of the answer; and that most Members would consider a response declining to answer the question, for a stated reason, to be legitimate.

[*Translation*]

Finally, the Hon. Member for Kingston and the Islands (Mr. Milliken) pointed out that a Private Member's Notice of Motion had a far better chance of coming before the House formerly than it has now. He suggested that either the proposal of the Parliamentary Secretary or the Standing Order itself might profitably be referred to the Procedure Committee for study and review.

[*English*]

The Chair has now had time to consider the matter at length. The use of Standing Order 39(6) appears simple enough at the outset; but as we have seen, upon examination it grows more complex and elusive.

The dilemma is this: we must find a balance between the urgent requirements of Members who need information in order to function and the equal imperative of a rational and fair use of the limited resources available to provide answers.

In an attempt to find this balance, the Hon. Parliamentary Secretary asked the Chair several days ago to act under the provision of Standing Order 39(6), which permits—and I wish to emphasize the word "permits"—the Speaker to transform into a Notice of Motion any question which is brought to his attention by the Government and which he considers would require a "lengthy" reply.

[*Translation*]

I must emphasize, at the outset, that the Parliamentary Secretary's request is indeed quite legitimate and well within the bounds of our Standing Orders. As a matter of fact, this practice, if implemented in today's House, would certainly go some distance to solving the problem we have outlined. The pressure of the 45-day limit in which to provide "lengthy" answers would be relieved. Since not all of these motions would be agreed to, or even considered, the work-hours available might be

more fairly and more widely distributed among Members' questions requiring shorter answers. As for those converted to motions, as the Chief Government Whip (Mr. Hawkes) has pointed out, the decision whether these more "expensive" answers should be provided would then be made by the House.

[*English*]

Unfortunately, it appears that this proposed solution may carry with it a new set of problems. It has been suggested that the use of this Standing Order might result in unreasonable limits in the freedom of Members to ask questions; it is even speculated that privilege might be involved. It has also been suggested that the Standing Order has survived so long unchanged because it has remained unused for the past 60 years; that its use in today's context may not be what was intended; and that it no longer fits the conditions of the present House of Commons, and certainly not those brought about by the McGrath reforms.

I share the view expressed by several Members that the direct consequence of transforming a written question into a Notice of Motion, to be eventually considered under Private Members' Business when transferred for debate, will be to diminish considerably the chances of the item ever being put before the House again. But it is interesting to see that such a difficulty had also been envisaged back in 1906 when Standing Order 39(6) was first adopted by the House. May I quote from the House of Commons Debates on July 10, 1906 at page 7602:

> Mr. Sproule: Then after a certain stage in the session notices of motion cannot be reached and in the case of a long question, if the government do not want to give the information all they have to do is say: You must move for it. There may be no opportunity to move and therefore the opposition are prevented from getting the information.

Certainly, I can tell the House that a request to invoke Standing Order 39(6) would undoubtedly always put the Speaker in a difficult position. It would require the Chair to make a series of decisions on non-procedural matters for which there is no information available and which only the Government, with its expert staff, is able to judge accurately: the probable length of answers which have not yet been produced. It is also true that no objective definition of "lengthy" has been provided; and in any case, it would be rash to suppose that the difficulty of answering a question must vary according to its length, or that the value of an answer is in any way proportionate to its length.

[*Translation*]

In addition, not all questions rejected as unanswerable can reasonably be converted into motions requesting the tabling of documents. Unless the question itself inquires specifically about a document, converting it into a notice of motion for the production of papers might well make it even harder to answer satisfactorily.

Another concept with which the Chair has some difficulty is that of placing on the Order Paper, in the name of a Member of this House, a notice of motion which that Member has not signed or indicated any interest in presenting. As the Hon. Member for Mackenzie (Mr. Althouse) pointed out, if a Member has a question refused and wishes to present a notice of motion on the same subject, he or she is perfectly able to do so.

[*English*]

I have examined very carefully the request of the Parliamentary Secretary to the Government House Leader (Mr. Cooper) and find that I am unable for several reasons to comply with the terms of the Standing Order in today's context without prejudicing the right of private Members to control fully their business by choosing for themselves how best to seek information: by placing questions on the Order Paper, perhaps requesting an answer from the Government within a 45-day period; or by having a Notice of Motion, if successful in the draw, debated during Private Member's Business.

The House will understand that two new elements which were recently incorporated in the Standing Orders on written questions have practically eliminated the kind of abuses on House time that existed in 1906. I am referring specifically to Standing Order 39(4) limiting the number of questions on the Order Paper to four per Member at any one time and to Standing Order 39(5) allowing a Member to request that the Ministry respond to a question within 45 days.

Speaker's Ruling

The Chair is extremely concerned that allowing the Government's request to transform a question into a Notice of Motion would appear as a step backwards in the evolution of the procedure governing written questions and would go against the expectation of the McGrath reform to have a more efficient method of dealing with questions.

[*Translation*]

As indicated by several Hon. Members, there is a long-standing practice which allows the Government to ask the House, in those instances when there is to be a lengthy reply, that the question be made an Order for Return. Such a Return is then either tabled forthwith, if the reply is ready, or tabled at a later date on completion of the reply.

[*English*]

There is also a procedurally quite acceptable practice —and indeed many Hon. Members have suggested that it is quite legitimate for the Government to do so—simply to respond by saying that the question cannot be answered because of the time and the human or financial resources involved. May I refer Hon. Members to Questions No. 8, 11, 12, 13 and 14 already answered in such a way by the Government during the current session.

• (1520)

The Government may continue the practice of simply declining, with an explanation, to answer questions which it finds are too burdensome. An explanation could also be given, during Routine Proceedings, that certain questions could not be answered within the requested time and perhaps reasons for that could be given. It should be understood that there is no obligation on the Government to provide a perfect answer, only a fair one. A Member in framing his or her question would accept part of the responsibility for the quality of the answer.

[*Translation*]

It is possible that the problems we now face arise partly as a result of recent reforms. The McGrath Committee foresaw some of the difficulties and commented, on page 46 of its report: "To avoid the possibility that members would try to get around the four-question rule by asking questions containing numerous sub-questions, all written questions should be directed to the Clerk for close and careful scrutiny as to form and content."

[*English*]

In that regard, the Clerk of the House must apply more rigorously the provisions of Standing Order 39(2) and, as stated in recommendation 7.10 of the report from the McGrath Committee:

> —reject outright or to split into separate and distinct questions those questions that contain unrelated sub-questions.

No doubt there are many other solutions which could also be explored. It appears to the Chair that the subject is worthy of consideration at some greater length than we have been able to devote to it here. In fact, the Chair would welcome the guidance of the Standing Committee on Elections, Privileges, Procedures and Private Members' Business in this matter. The committee can do that within its mandate, or if the House is so inclined, a specific Order of Reference could be given to the committee, as the Hon. Member for Kingston and the Islands (Mr. Milliken) has suggested. In any case, as Speaker, I strongly suggest to the Members of that committee that their recommendations on this question would be extremely useful to the Chair. Perhaps we may hope for some guidance from the committee on this issue.

In the meantime, however, I must regretfully state that the Chair cannot agree to the request of the Hon. Parliamentary Secretary.

I want to say in addition that the Chair is extremely cognizant of the fact that this is not a one-sided issue. If Hon. Members will read carefully the decision which I have just rendered, I think it will be made clear that I am concerned as Speaker that both sides of the House are treated fairly in what is clearly becoming a problem. I would hope that the House, as I have suggested, would move to find a solution. I thank Hon. Members.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I wish to table, in both official languages, the Government's response to several petitions.

* * *

ORDER IN COUNCIL APPOINTMENTS

TABLING OF APPOINTMENTS AND REFERENCE

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): I also wish to table, in both official languages, a number of Order in Council appointments made by the Government. Under the provisions of Standing Order 110(1) these are deemed referred to the appropriate Standing Committees, a list of which is attached.

* * *

[*Translation*]

CANADA–EUROPE PARLIAMENTARY ASSOCIATION

PRESENTATION OF OFFICIAL DELEGATION REPORT CONCERNING 17TH ANNUAL MEETING OF PARLIAMENTS' DELEGATIONS

Mr. Terry Clifford (London—Middlesex): Madam Speaker, I have the honour of tabling, in both official languages, the report of the official delegation of the Canada–Europe Parliamentary Association on the 17th annual meeting of Canadian and European parliamentary delegations held in Ottawa and London from May 1 to 5, 1989.

[*English*]

Madam Speaker, there were two issues that were highlighted in the report as a result of the meetings. I bring them to the attention of the House because last year the proposed ban by the Europeans on the import of furs was a very relevant issue in this House.

I want to report that this year we took the European delegation to Wiebequi, a northern Indian community near Hudson Bay, to show them how unfair such a ban would be on our native communities which are so dependent on fur trapping. This led to a far greater insight into the livelihood of the native peoples of the region and of Canada, and it led to a commitment by the chairman of the European committee to bring this enlightenment to the European Parliament this month in Brussels. Therefore we have that commitment. I believe that it is going to read well for all Members of this House that the Europeans are truly seeing how this effects our native people.

The most controversial issue was the Canada–EC fisheries dispute. Each side made its points, the Canadian delegation stressing the urgent need for conservation or there would be no fish to catch in the future.

On this issue, the two delegations concluded a joint resolution urging their respective authorities to find a solution as quickly as possible. I might say that part of that resolution was ensuring that a discussion of the issue of the fisheries should be given the necessary high priority at the forthcoming EC–Canada ministerial meeting. I want to report obviously that it did get that priority. The Ministers of our country and the European countries did bring this issue to a head. We urge further consultation for the resolution of this problem.

* * *

[*Translation*]

SCRUTINY OF REGULATIONS

PRESENTATION OF FIRST AND SECOND REPORTS

Mr. Tom Wappel (Scarborough West): Madam Speaker, I have the honour of tabling, in both official languages, the first and second reports of the Standing Joint Committee for the Scrutiny of Regulations.

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

* * *

ELECTORAL BOUNDARIES READJUSTMENT ACT

MEASURE TO CHANGE THE NAME OF THE ELECTORAL DISTRICT OF RESTIGOUCHE

Mr. Guy H. Arsenault (Restigouche) moved for leave to introduce Bill C–252, an Act to change the name of the electoral district of Restigouche.

The Acting Speaker (Mrs. Champagne): Shall the Hon. Member ç220zhave leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Arsenault: Madam Speaker, I would like to thank you and Hon. Members for giving me this opportunity to introduce a bill whose purpose is to change the name of my riding of Restigouche by adding the name of Chaleur.

My reasons for introducing this Bill are quite simple. The name Restigouche does not adequately reflect my riding. It refers to the Restigouche River and Restigouche county, but unfortunately, does not reflect the presence of the Chaleur region.

Madam Speaker, the role of a Member of Parliament is to represent his entire riding before the Parliament of Canada, and I believe that the change proposed in this Bill will have the effect of giving my riding a name that will more adequately reflect the regions it covers.

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

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

The Acting Speaker (Mrs. Champagne): When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

[*English*]

BUSINESS OF THE HOUSE

DEFERRAL OF DIVISIONS

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Madam Speaker, there have been discussions among the Parties with a view to accommodating the Members vis-à-vis the Speaker's garden party. I think Your Honour will find that unanimous consent for my putting the following motion immediately and without debate:

> That any recorded division requested today will be deferred until 6 p.m., Monday, June 19, 1989.

It is the Government's intention to call only the two Bills on the projected order of business. They are Bill C-11, to continue third reading, and Bill C-10, resuming debate at second reading.

• (1530)

The Acting Speaker (Mrs. Champagne): Does the Hon. Minister have the consent of the House to move the motion?

Mr. Rod Murphy (Churchill): Madam Speaker, we certainly agree with the motion, although I do not believe it will be necessary.

The Acting Speaker (Mrs. Champagne): The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

PETITIONS

VIA RAIL SERVICES

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Madam Speaker, it is my privilege and honour to rise and present a petition pursuant to Standing Order 36, in which some 50 residents of various towns in Ontario point out, among other things, that the Government's deregulation of air passenger service has dramatized the need for safe, convenient, economical, rapid, and environmentally sound alternative passenger service.

They pray and call upon Parliament to improve and modernize VIA Rail service in the areas of the country where it can provide a more rapid, economical, safe, convenient, environmentally sound, and energy efficient alternative to other means of transportation.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Madam Speaker, it is my honour and duty to present a petition on behalf of a number of Canadian citizens who recognize that VIA Rail is an important part of the transportation system, particularly in the Quebec-Windsor corridor.

They call upon the Government to recognize the need for that kind of service and to make it available to Canadians generally.

Mr. Derek Blackburn (Brant): Madam Speaker, I too rise under the provisions of Standing Order 36 to present a petition signed by several people from the Windsor, Ontario area.

They decry the fact that VIA is to be cut back and probably terminated in its operations. Indeed, they humbly pray and call upon Parliament to maintain, improve, and modernize VIA Rail service, particularly in those areas of the country where it can provide a more rapid, economical, safe, convenient, environmentally sound, and energy efficient alternative to other means of transportation.

REVISION OF EXTRADITION LAWS

Mr. Bill Domm (Peterborough): Madam Speaker, I have the pleasure to present petitions to the House of Commons. These petitions are spearheaded by the Victims of Violence Society, by the Citizens United For Safety and Justice, and by 31 Members of Parliament from across Canada who are currently collecting signatures on a national petition which will be presented to the House over a period of several weeks. It is expected to accumulate tens of thousands, if not hundreds of thousands of signatures.

It is my pleasure to present a petition today to the House of Commons, including 2,588 signatures mostly from the City of Peterborough and the County of Peterborough, which calls on the Government of Canada to revise its extradition laws in order that we may prevent Canada from becoming a safe haven for criminals. There are five known convicts from the United States in our institutions now.

This petition brings the total to over 36,000 signatures which have been presented to date into the House of Commons.

Mr. Walter Van De Walle (St. Albert): Madam Speaker, I have the honour to present a petition, duly certified correct as to form and content, representing 2,160 Canadians from Alberta, Ontario, and Prince Edward Island.

These concerned citizens call upon the Government to revise the extradition laws to allow for the extradition of criminals immediately or after they have been fully dealt with by the Canadian penal system. These Canadians want the Government to take action to prevent Canada from becoming a sanctuary for criminals.

The number of signatures on petitions now stands at in excess of 38,000.

[*Translation*]

OPPOSITION TO VIA RAIL SERVICES CUT-BACKS

Mr. Darryl L. Gray (Bonaventure—Îles-de-la-Madeleine): Madam Speaker, I also have the honour this afternoon to present petitions to this House, pursuant to Standing Order 36, from my constituents concerning VIA Rail services.

Madam Speaker, it is important to point out, with the report that VIA Rail will present to our Minister towards the end of June, how important these services are for us in the Gaspé peninsula.

[*English*]

The important matter for those of us on the government side, as well as for VIA administration when it decides what its new plan will be, is that my people at home wish to continue our service. We will go with the *status quo* now and go for better service after.

REVISION OF EXTRADITION LAWS

Mrs. Barbara Sparrow (Calgary Southwest): Madam Speaker, I have the honour today, under the provisions of Standing Order 36, to present hundreds of petitions containing more than 5,000 signatures of people from Alberta, mainly the Calgary area and, more important, my riding of Calgary Southwest. These petitioners call upon the Government of Canada to revise its extradition laws.

I am pleased to join with these petitioners who humbly pray and call upon Parliament to revise the laws of Canada relating to extradition to allow the Minister of Justice of Canada to order the extradition of alleged or convicted criminals at any time after their apprehension in Canada, even during their period of incarceration for crimes committed in this country.

Mr. Brian O'Kurley (Elk Island): Madam Speaker, it is a privilege to rise today in the House of Commons, under the provisions of Standing Order 36, to present a petition from a large number of people in the Province of Alberta. These petitions contain the signatures of 1,198 Albertans who call upon the Canadian Government to change our extradition laws.

These petitioners from the Province of Alberta ask Parliament to revise the laws of Canada relating to extradition to allow the Minister of Justice of Canada to order the extradition of alleged or convicted criminals at any time after their apprehension in Canada, even

during their period of incarceration for crimes committed in Canada.

The number of petitions now presented to the House of Commons is in excess of 44,000.

VIA RAIL SERVICES

Mr. David D. Stupich (Nanaimo—Cowichan): Madam Speaker, I rise, pursuant to Standing Order 36, to present a petition duly certified by the Clerk.

The petitioners humbly pray and call upon Parliament to maintain and improve VIA Rail service. It is very important to rural areas of Canada in particular and all across Canada. I join with these petitioners in urging the Government to continue and to improve the service.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Acting Speaker (Mrs. Champagne): Shall all questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Madam Speaker, I ask that all Notices of Motions for the Production of Papers be allowed to stand.

The Acting Speaker (Mrs. Champagne): Shall all motions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY, 1989-90

MEASURE TO ENACT

The House resumed from Monday, June 12, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-11, an Act to provide borrowing authority, be read the third time and passed.

Mrs. Coline Campbell (South West Nova): Madam Speaker, I rise to resume the debate I began on Monday on Bill C-11, a Bill to provide borrowing authority. On that day I spent quite some time discussing the plight of the coalition of fishermen and plant workers from the West Coast. It is a situation that could easily apply to many areas in Canada, particularly to the East Coast.

• (1540)

The people on the East Coast in the fishery should be a 100 per cent behind this coalition because what has happened out there could easily happen on the East Coast in the fishery.

Just to review it very quickly, under GATT the Canadian Government apparently brought in a regulation which said that our fish must be processed here in Canada. It prohibited the export of unprocessed salmon and herring. The United States then petitioned GATT and it was found to be offensive.

It was raised in this House. I feel very strongly that when it comes down to dealing with a natural resource, a renewable resource which so many jobs are dependent on, this Government, any Government in Canada, should forcefully stand up and take the consequences. It should stand up to the United States.

When it came to the hogs, the United States did not think of Canada. It did not think of GATT reviewing the agricultural process and the agricultural subsidies. It did not think of the new Free Trade Agreement. It went directly under the omnibus trade Bill and slapped a countervail on the Canadian hog industry.

I say to the Hon. Members that unless Canadians stand up and make our natural resources of prime concern to Canadians first, we are going to be in very sore trouble, particularly in the eastern, western and rural areas of Canada where so many people are dependent on those jobs being created by our natural resources.

This Government does not listen to those people. Those people have come up here and spent a week trying to bring home that point. The Government does not listen to the native people who are outside and have been outside. It does not listen to the people who are going to be hurt by the cut-backs in health and education because of the financing program.I do not think this

Government listens to anybody except big interests whose toes might be stepped on by this Government.

We are here passing a Bill which wants us to let this Government borrow $24 billion. The Government is not going to borrow the money to improve the quality of life for those who are unemployed, those people who are going to be receiving unemployment insurance and who have depended on seasonality.

Mr. Thompson: What about the debt?

Mrs. Campbell (South West Nova): I am glad the new Hon. Member for Carleton—Charlotte brought up the matter of the debt. He was not here in 1984. I was here in 1984. I got defeated by this Government's promises in 1984. What was the promise in 1984? It was that the Government would reduce the deficit. Did it reduce the deficit?

Mr. Thompson: Yes.

Mrs. Campbell (South West Nova): No, it did not reduce any deficit. In fact, the deficit proposed in this Budget of April 27 is exactly $30.5 billion for the fiscal year 1989–90. If the Government had not added the biggest tax grab to bring in revenues for $3.7 billion, where would the deficit be? The Government has put the biggest tax grab on the Canadian people in any time in history when there was not a major crisis. Cutting spending in its own areas might have been better, but no, it goes after cigarettes, gas, fishing vessel diesel oil, all things which will hurt all our constituents. The Government just goes after them with the biggest tax grab.

An Hon. Member: Bankrupt, totally bankrupt.

Mrs. Campbell (South West Nova): That is right. What is a deficit if we take away the tax grab this year? If we take away the $3.7 billion and not put in the taxes, what would the deficit be for 1989–90? It would be $34.2 billion. What was the deficit in 1984. It was $34.2 billion.

How can that Government over there say that it has cut the deficits? It has gone through the best economic times, started by the way before it came into office, that this country has seen in the last number of years.

Did the the Government cut deficits? No, it increased deficits. Did it help bring in any new programs? No, it did not bring in any new programs. What is it doing now? It is cutting VIA. It is going to cut the rail lines in the East. It is going to cut VIA from Halifax to Yarmouth.

Mr. Thompson: You do not know that. The report is not out.

Mrs. Campbell (South West Nova): Madam Speaker, perhaps the Hon. Member wants to speak and should be given time to speak about what he thinks is not fair. He is so new in the system that it will take a thunderbolt to hit him rather than this Government telling him what he should know. However, he can ask a question after if he wants.

I just know that this Government is going to hit the Canadian people, particularly those in the East, in the area of health and in the area of post-secondary education as far as universities are concerned. I have said that before and I do not want to go into it again. Now it is going to hit ACOA, the Atlantic Canada Opportunities Agency.

Mr. Thompson: There is $500 million going to Atlantic Canada this year.

Mrs. Campbell (South West Nova): I just want to say, Madam Speaker,—

Mr. Thompson: This fiscal year, $500 million.

Mrs. Campbell (South West Nova): —that the Government did not bring in any new programs to replace the ageing sewer and water systems. Is this Member taking part of my time, Madam Speaker?

I just think that the Government has not in the last five years improved the quality of life. In fact, it is going to hit the unemployed; it is not going to find new jobs for the seasonality of the east coast unemployed because of the type of industries we have, either in fishery, forestry, farming, or tourism.

What is the Government going to do to tourism with the national sales tax? It is going to hit us so bad in the East that we will not even know that there is a Canada. The proposed national sales tax is going to hit every area of the service industry in the east coast. As soon as tourists who come across by car or by ferry ask for something, there will be a sales tax. There will be another sales tax and another.

Why does the Conference Board of Canada say that it is tourism which will be hurt the most in the East and that the East will be hurt, not Quebec and Ontario? It is going to be the East in terms of the national sales tax.

I am glad that there is a bit more time and that I do not have to close off that fast. I do not mind having a borrowing Bill if I thought it was improving the quality of life. However, it is not.

This Government's Budget is hurting the future people who will be on unemployment insurance. It is hurting the people who have used VIA right across Canada, particularly in remote areas, to get to the cities for medical purposes or whatever. They have to go from Yarmouth to the Victoria General Hospital, or they have to go from Digby, Saulnierville, or Bridgetown to the Victoria General Hospital. There is no other way to go.

I say that because I am hearing it from the people. I attended the hearings. I am sure that over the next few weeks and months we are going to hear a lot more.

Why did the Member from the Magdalen Islands stand up and say that he wants the *status quo* for VIA? Why is he petitioning the Government with a petition from his people? It is because the cuts to VIA are going to affect everybody in Canada.

We could talk about allowing this Government to have the money, but I think it should be more responsible. Perhaps it should have cut in other areas, but it should be at least maintaining a fair standard of quality of life for all Canadians. If we have a program such as ACOA, as we saw in the East, why should we cut back on all of those applications? Those people have spent hundreds and thousands of dollars to prepare an application which they put in a year ago and it was not decided on. Then the rules changed and even to understand what the rules mean because of the change it will take a lot of dollars in government spending to go out and explain to the people. This is if there is money because we have not even been told that there is money in ACOA. We have not been told if there is money for the ERDA arrangements with the East.

This Bill will pass by virtue of the Government's large majority, but it must start realizing that it cannot be taking and taking and hurting all the small people in Canada.

• (1550)

In the last two weeks the Minister of Fisheries presented a policy on vessel replacement. I give this as an example to my colleagues in the House. I refer to a man who had an application in for a loan from the provincial Government to replace a 37–foot lobster boat was told he had to go down to a boat of 32 feet. Why? It was because, unilaterally on April 1, the rules were changed.

What will that change in the rules mean? It will mean that this man will not fit in under the coast guard regulations. Nor will he fit in in terms of boat builders who are laying off many of their people since they now have to go out to find new moulds. The mould used for the 37–foot boat will have to be replaced by a mould for a 32–foot boat. It sounds complicated. I have to say that it is complicated. It is so complicated that the fishermen, the ship builders, and all their workers have been asking to come to see the Minister and to appear before the committee. However, time is running out. The House will shut down at the end of June. They are not the only group which wants to come.

I see that you are signalling to me that my time is up, Madam Speaker. Thank you, Madam Speaker, for allowing me to speak today. I have to say that of course I oppose this borrowing authority. I do not think it is a reasonable approach to satisfy the needs of all Canadians. The Government has satisfied only the needs of the big interest groups in Canada.

Mr. Thompson: Madam Speaker, I listened with great delight as the Hon. Member for South West Nova prattled on about some obvious problems that she sees. The point we have to underline is that many of the problems with which we have to deal are problems that we inherited when we formed the Government in 1984. The Hon. Member conveniently disregards the fact that in 1984 we inherited a $200 billion deficit. Members of that former Liberal Government brag about the fact that they left the cupboard bare. They are on the record as having stated that they left the cupboard bare. Consequently, we were left paying the bills for that Liberal Government. We are still paying them.

Mr. Milliken: You keep talking about it, but you don't do anything about it.

Mr. Thompson: As the Hon. Member concluded her arguments in this debate, she mentioned some of the complicated issues with which she is dealing. I think she unnecessarily complicates them.

She spoke of the ERDAs, the regional development agreements, that we are negotiating with the provinces today.

Mr. McGuire: Where are they now?

Mr. Thompson: They will be signed, as they always have been. They have been very generous to the provinces in the past. In fact, most all the provincial Governments in Atlantic Canada will give credit to the federal Government for having transferred those moneys to the provinces to allow them to run a balanced ledger. Everyone in the House, regardless of side, understands the importance of the ERDAs. They will be signed.

The Member from South West Nova offers no alternatives. She and the Members of her Party are devoid of alternatives. They can criticize as they like. We are trying to deal with some very real problems left to us by her Government.

Mrs. Campbell (South West Nova): Madam Speaker, the Hon. Member for Carleton—Charlotte comes from the other side of the Bay of Fundy. People from my area know that area well for many reasons.

I wish to bring to the attention of the Hon. Member that in 1984 the public debt was $68 billion. In the four years of economic influence by the Conservatives that figure increased to $191.5 billion.

Some Hon. Members: Shame!

Mrs. Campbell (South West Nova): I said in my speech that the Government had the best economic times. The Hon. Member was not here from 1980 to 1984 when the rate of inflation went up as a result of what had happened in the 1970s because of high energy prices.

Mr. Vincent: Because of your bad policies.

Mrs. Campbell (South West Nova): We will see who had bad policies. Just wait. In the long term we will see who had bad policies. Members opposite rode with a Minister of Finance who said that we will have new economic growth. The reality is that if he had not put the biggest tax grab on Canadians, a grab of $3.7 billion in the last Budget, the deficit would be the same as it was when he first came into office, a deficit of $34.2 billion. That is the reality. The biggest tax grab as well as the interest rate policy of the Bank of Canada will put the Government and Canada into, if not a depression, at least a recession. The Hon. Member for Carleton—Charlotte represents the same type of people as I represent. They are ordinary Canadians who make their living from natural resources in their areas.

As we very clearly saw with the west coast coalition today, yesterday, and the day before, these people cannot live without the ability to process their fish. They cannot live on the West Coast in those fishing villages without being able to process their fish. Yet that is viewed as a violation of the Free Trade Agreement with the U.S. We want to protect the jobs of our fishermen who fish in our own waters as well as jobs on shore. I think it is atrocious that the Government kneels to the United States.

Mr. Parent: Madam Speaker, it would seem to me that the Hon. Member who spoke prior to my colleague still has not got used to the fact that his Government has been in power now for in excess of four years. Sooner or later he and members of the Government will have to take responsibility for some of their own actions.

Mr. Thompson: We will take the responsibility for employment and the wealth of the country.

Mr. Parent: The Hon. Member had his chance to say what he had to say, which was not much, I will admit, but now I think he should have the courtesy of listening to what I have to say.

Mr. Thompson: Inaccuracies.

Mr. Parent: I am addressing my hon. colleague, the Member from Nova Scotia. I visited Summerside recently. My colleague did not address, at least in depth, the issue there. I wonder if she might make a comment on the closing of the Canadian Forces bases in the Maritime provinces, especially in terms of the jobs that will be lost there, as well as with respect to the economic impact those closures will have on the people in the surrounding areas. I do not mean just the military. I am talking about ordinary Canadians, if you will, Madam Speaker, from the Maritimes who are trying the best they can to make a living and to help build Canada with the rest of us. Perhaps my colleague could address herself to that.

Mrs. Campbell (South West Nova): Madam Speaker, because of redistribution I do not represent Barrington any more. I feel sorry for the Member from South Shore. It must be very hard for him to see that base close after so many years.

The spin-off effects from a base like Summerside would be about 60 per cent in the area, if not 70 per cent. We have heard that those bases do not have to be in those areas for regional development. We are told that they were not put there at a time when there was a need for regional development. They were put there because there was a need for a Canadian Forces base in the areas in which they were placed. That is what we were told.

The closure will affect those foreigners who are overfishing within and without the 200-mile limit. If will affect a company such as IMP which is bringing new technology and new ideas to the area. It had a contract. I heard that somewhere between 20 per cent to 25 per cent of its intake of business will be affected. I am not sure on that; it may be more. It affects the whole economy.

• (1600)

I have never heard of anything so devastating as what is being done to Summerside. I cannot believe that the Government can do this. If it wants to do away with CFB Summerside, it must have a plan of action that will sustain the area. If it does not have such a plan, it is simply saying that Summerside is on its own. In my opinion, Canada has never been that way. We are a country that has shared in the difficulties that exist across Canada. When a disaster occurs in one part of Canada, the rest of Canada has always helped.

I do not think Canadians want to see the effect of the base closures in Portage la Prairie and Summerside. There should be a more reasoned use of those facilities. One does not build a brand new cafeteria for $10 million and then close it. What does one do with it?

The Minister of State for Tourism (Mr. Hockin) has indicated that the tourism distribution centre in Yarmouth, Nova Scotia, is no longer needed. It was only built five or six years ago, but it and its nine jobs are no longer needed. It cost the Government many millions of dollars to build the building and it costs about $792,000 a year in operating expenses and salaries. All the Government agencies that are operational on the east coast, for example the Department of Fisheries and Oceans, could use that distribution centre, but the Government does not think of that.

I know you are telling me that my time is up, Madam Speaker. I thank Hon. Members for their questions.

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, it is a pleasure for me to rise to participate in this debate on the borrowing Bill brought forward by the Government. I note from the provisions of Clause 2 of the Bill that the Government is proposing to borrow a sum not exceeding $24.8 billion.

What I find really surprising is the lack of public comment on this Bill and on the record of the Government in financial matters. I would like to speak briefly about what I consider to be an appalling record in this regard and to point out to Hon. Members, particularly those opposite, how they might seek to improve the record by changing their ways.

As Hon. Members know, the borrowing Bill is one of three major financial items that Governments present to the House of Commons in the course of a year. We have seen more fumbling and bumbling by the Government on financial matters during the course of this Parliament than any Canadian Parliament has ever had to witness. I would like to deal with that fumbling and bumbling by referring to each of the three items of financial business and explaining how it is in my view that the Government has fumbled and bumbled its way through these items.

I would like to turn first to the business of supply which has occupied considerable debate in the House in the course of this session. The irregular procedures the Government has followed in this connection have been shocking. The normal procedure is that the Estimates for the financial year are tabled in the House of Commons by the end of February of the year, or around the beginning of March. This year, it was April 28 before the Estimates were presented to the House.

In addition, the House failed to deal, because of the Government's fumbling and bumbling, with the question of Supplementary Estimates for the last financial year which ended on March 31. We have discussed extensively in connection with both the Supplementary Estimates and Main Estimates which were tabled so late the Government's dereliction of its responsibility to call Parliament together in a timely matter to deal with the financial matter of supply.

In various debates in the House and in committee, we have heard how the Government breached the Constitution of Canada by issuing money to itself through the use of special Governor General Warrants which, in my submission, it had no proper right to do. I am supported in my opinion by such eminent scholars as Senator Forsey who has expressed his views before a Senate committee. I will not bore Hon. Members opposite by reading his testimony again. However, this is a clear indication of a shocking disregard for constitutional practice and constitutional obligation, and one that the Government should be apologizing for rather than carrying on the way it does.

Regarding the business of supply, the Government has been late at every turn. It has failed to consult Parliament as it is obligated to do under the Constitution. It has dealt itself money which it had no right under the Constitution to take, in my view, and it has generally fumbled and bumbled the business of supply in its manner of dealing with the House.

Now we turn to the second major item, the Budget. It hardly seems necessary for me to explain the fumbling and bumbling that went on with the Budget. We all know about the incredible Budget leak. The whole Budget got leaked in advance of Budget night, something unprecedented in Canada. There have been lots of Budgets over the last 22 years, heaven knows, but nothing like this has ever happened. The whole Budget was blown the night before.

We have witnessed the really rather shameful procedure whereby the Minister of Justice (Mr. Lewis) and the Deputy Prime Minister (Mr. Mazankowski) have tried to blame the Opposition for the failure of the Government to present its Budget properly before the House the night before it was supposed to be presented. I have explained on previous occasions to the Secretary of State for External Affairs (Mr. Clark) and other Hon. Members opposite how it is that the rules of the House do not provide for consultation with the Opposition in these matters. It is not a matter of asking the Opposition for authority. That is a specious argument put forward by the Ministers in order to evade their responsibility to the House and to the country. Their responsibility was to come clean with the Budget in the House, not to ask the Opposition for consent to do that. They did not need our consent to do that. They are the masters in this House. We are in Opposition and do not have a majority, much to the regret to the majority of Canadians, I might add.

Beside the fact that the Budget was leaked so badly, there has been a rather shameful cover-up on the question of how much the Government knew when the Budget was ultimately presented in the House on April 27. The evasive answers we have been given by the Minister of Finance (Mr. Wilson), by the Deputy Prime Minister and by the Minister of Justice have led to a loss of confidence in the Government on the part of Canadians and loss of confidence in the ability of its Ministers to look after the financial affairs of Canada. This evasion has once again surrounded one of the principle financial instruments of Government, the Budget.

I could go on to deal with the merits of the Budget, but frankly, it would be a short speech were I discussing its merits. There are so many demerits in the Budget that those are the ones that require attention. There has been a shocking series of tax increases and cuts in areas of questionable appropriateness.

I would like to turn to the Main Estimates. The Government makes a great thing of its cuts and the Minister of Finance keeps telling us how it is that he will balance the Budget and will suddenly stop these huge deficit increases that have been plaguing us for so long, according to the Minister. I would like to read from the statement made by the President of the Treasury Board (Mr. de Cotret) when he introduced the Main Estimates in the House on April 28, as recorded at page 1078 of *Hansard:*

> The Government's updated fiscal plan provides for total budgetary expenditures of $142.9 billion in fiscal year 1989–1990, a 7.4 per cent increase over the forecast for the past fiscal year.

Here we talk about government restraint. The Government is constantly complaining in this House that it cannot do this and it cannot do that because of fiscal—

• (1610)

An Hon. Member: What about that intervention we just heard?

Mr. Milliken: I am sorry, if the New Democratic Party Members wish to participate in the debate I am sure the contributions they are making are typical of what we

might hear if they were in it, so I will continue with my speech.

The 7.4 per cent increase in government expenditures over the forecast for the past fiscal year—and we are told this is restraint—is that restraint? Is that what Hon. Members opposite consider restraint? I do not consider that particularly restraining.

I consider that a rather hefty increase and that is what we are being subjected to in spite all the rattling of chains and the noise about cuts. This is not a cut, this is a big increase. What is being done to pay for this increase? We are told that in fact the Government is slashing expenditures right, left and centre. The fact is the cuts are minimal. The fact is that the Government is raising its money on the backs of Canadians by vast increases in the taxes that Canadians pay as a result of these financial measures. That is what is going on here. What the Government is really doing is saying on the one hand, "Well, we have slashed expenditures", and it announces a series of cuts that are devastating in three or four areas and it increases everything else. Then the Government says, "We will increase the taxes to pay for everything else". That is what is going on and it is a shifty, shady, questionable operation. The Government is not coming clean with Canadians and explaining what it is really doing through this Budget.

We have been maintaining that on this side of the House for months now on every single item, because what appears to be happening is really not what is happening. The Government makes a policy announcement and says it is going to fix up unemployment insurance. "We are going to improve it". But when in fact you look at the details of the plan it is worse for almost everyone who participates in unemployment insurance. The employers pay more, the employees pay more, and everyone gets less in benefits. That is not an improvement. Yet those are the kinds of policies that the Government pursues in this House. Those are the kinds of answers it gives to questions. Those are the kinds of speeches its members make when they stand up and defend some of the atrocious legislation which the Government has introduced in the House. The Government should be ashamed of itself.

I see the Hon. Member from British Columbia over there smiling and nodding in agreement. I can understand his agreement and his feelings of shame when he considers the statements he is asked to make in this House in defence of some of the Government's legislative priorities. I must say that were I on the Government side, having to defend some of the legislation that we have here, I would be a little ashamed myself. In fact, considerably ashamed.

Mr. Edwards: He is nodding off.

Mr. Milliken: The Hon. Member says he was nodding off. He looks wide awake to me.

I want to turn now to the third major item of financial control that the Government has at its disposal, and that is borrowing. That is the subject of the Bill we are discussing here today.

The Government made a decision in December that Parliament would be recalled in March. It later decided that it would be embarrassing to have an Opposition facing it across the House in March because we might ask difficult questions. We might embarrass Ministers. We might make the Government look incompetent. So the Government deferred the opening of Parliament until April, thinking that perhaps by April it might have its act together. We all know that it did not, but the fact remains we waited until April. In that month Parliament was recalled and we began dealing with a new series of legislative proposals outlined in the Speech from the Throne.

The difficulty is that by waiting until April the Government was forced to use the special Government General Warrants in order to get money from the treasury for the purpose of paying its bills. But there was not enough money in the treasury in order to allow the Government to take the money by special warrant. It had to resort to borrowing in order to replenish the treasury.

We know that under the Financial Administration Act the Government is able to borrow money. I would like to read from that Act, Section 47:

> Where it appears to the Governor in Council that the Consolidated Revenue Fund will be insufficient to meet the disbursements lawfully authorized to be made from it, the Governor in Council may authorize the Minister to borrow, for a period not exceeding six months, an amount not exceeding such amount as the Governor in Council deems necessary to ensure that the Consolidated Revenue Fund will be sufficient to meet those disbursements.

The point of the section is that the Government may only borrow for a short-term period for normal government purposes. What happened here is that the Govern-

ment went out and borrowed, helped itself through the use of this Section of the Act to various sums of money. On March 31 it borrowed $750 million, on April 5 it took another cool billion, on April 14 it took another $100 million and on April 21 it took $150 million. The Government has borrowed a lot more since, totalling about $5 billion according to the records I obtained a few days ago.

Let us deal only with the borrowings up to April 21, because by that time the Government was about to bring this Bill before the House. In borrowing that money, the Government had to pay short-term rates because it was borrowing the money for periods of six months or less. Had it borrowed the money in the usual fashion in long-term borrowings, it would have paid a lower interest rate. The difference between the two rates, for simplification, is approximately 2 per cent. It was about that constant rate of 2 per cent throughout the period.

If we calculate the cost of borrowing the almost $2 billion over a six-month period, the estimated cost of that differential is approximately $4 million on a very rough calculation. That is what it has cost the people of Canada for the Government to refrain from calling Parliament until April. In other words, by delaying the recall of Parliament, the Government increased its expenses by about $4 million and now expects Canadians to cough up that money in extra taxes. Tax Canadians to pay for the Government's folly.

This would not seem unusual—$4 million after all is peanuts to this Government when it is spending $147 billion in a year, I acknowledge that—but the fact is it is a cost that could have been saved the Canadian taxpayers. I would not raise it today as a particularly serious matter if it did not add into the list of fumbling and bumbling on financial matters that we have witnessed throughout this session of Parliament, but the Minister of Finance himself in previous statements has raised this cost as something he regards as a very serious waste of money.

I have here some statements by the Minister of Finance that I thought you would enjoy hearing, because, Madam Speaker, these were said of a different time when he was still a Minister but he, of course, was smarting because of further government fumbling and bumbling in financial matters in 1985.

One of the extraordinary things in this country is the approach the business press takes to the Minister of Finance because he is upheld in some quarters as a beacon of reason and right in financial matters. Yet when you look at the record of fumbling and bumbling, one has to wonder why these news editors take that particular position.

Mr. Blackburn (Brant): Hear, hear!

Mr. Milliken: I do not understand it. If I were Minister of Finance and I fumbled and bumbled as many things as he has in the last six months, I would quit. But he has not seen fit to do that, he is soldiering on, continuing to fumble and bumble.

Let us hear what he said in 1985. Let me set the stage for this. In 1985 the Senate of Canada received a borrowing Bill from this House and it determined that that borrowing Bill ought not be allowed to pass until the Government of the day had tabled its spending plans in this House so the Senate could see where the money would go. Indeed, in accordance with constitutional practice, that position on the part of the other place was perfectly proper and perfectly correct. Yet this Government howled and shrieked outrage at the dreadful actions of the other place in holding up the borrowing Bill. The nerve of the other place, the Government kept saying. The Minister of Finance was at the head of the charge in shouting about how dreadful it was that the other place was obstructing a piece of legislation on financial matters from this House. What he did was calculate the cost of holding up the Bill in the other place on the same basis that I have costed the failure of the Government to recall Parliament in a timely way. As reported in *Hansard* on February 26, 1985 at page 2500, he stated:

> Based on the level of interest rates today compared to the amounts of money that could have been raised about two or three weeks ago, and were not raised because of the actions in the other place, the cost to taxpayers has been at least $10 million. Those are the facts, and I ask him to reconsider his position.

The Minister of Finance was answering a question posed by the Leader of the Opposition.

• (1620)

The Minister for International Trade (Mr. Crosbie) was making a speech and he quoted a letter written by the Minister of Finance. As reported in *Hansard* on June 7, 1985 at page 5535, the Minister stated:

There were also indirect costs associated with the Senate delay. Although these costs are difficult to measure, it is clear that any interruption in the Government's borrowing program will introduce some confusion and uncertainty into financial markets, if only because the federal government's position in the market forces all other participants to plan around the federal borrowing schedule.

Those Ministers were blaming the Senate for every ill that befell them. Now, when there is a $3 billion or $4 billion cost to Canadians arising out of their failure to recall the House on time, we do not hear a peep.

Why are the Ministers not apologizing to the Canadian people for wasting $4 million of their money that will be taxed out of their hides by the Government in its new tax measures? Why is there not some apology for this fumbling and bumbling?

Why was the Minister of Finance not out at the gates of Rideau Hall when the Prime Minister went to advise Her Excellency to prorogue the last session and postpone the date for recalling Parliament? He should have been there with signs and placards objecting to this procedure. Instead, we do not hear a peep about it. It has been all hushed up. Nothing has been said in the House about it because the Government is ashamed of its record. It is a disgraceful record.

If the Minister of Finance had any common sense or any sense of caring for the people of Canada he was elected to serve, he would resign at once and admit that the Government has fumbled and bumbled every financial measure it has brought before Parliament. It is a shocking disgrace and we should hear some apologies from the other side.

Mr. Derek Blackburn (Brant): Madam Speaker, I am happy to participate in the debate this afternoon on Bill C–11. Before I get into the substance of my remarks, I wanted to put on the record the fact that I sat here and listened to the Hon. Member for South West Nova (Mrs. Campbell), who has since vacated her seat, and could not help but reflect back over the years of one Liberal Government after another when they made every attempt possible, not only to gut VIA Rail and bring it to an absolute standstill, something they are now accusing this Government of attempting to do, quite accurately, but also in the Hon. Member's own bailiwick of the country in Atlantic Canada, tried three times to shut down Base Summerside. The Hon. Member and her cohorts in the Liberal Party had the unmitigated gall to stand up today and condemn this Government when they attempted to do the very same thing themselves.

It is that type of duplicity that brings a certain degree of dishonour to this Chamber. One thing we must all at least attempt to do is to bring some intellectual honesty back into this very important forum.

This afternoon I would like to discuss some of the aspects, not only of the borrowing Bill itself, but how in my view the Government is very unwisely not borrowing money in order to spend money on what I consider to be worthwhile projects. I want to touch on the rising costs and the emergency that is developing in municipal infrastructure, and the decay within our cities in terms of water services, sewage disposal, waste treatment plants and indeed the very sidewalks on which we walk and the roads on which we drive.

I also want to talk about something else that relates to ordinary Canadians, and that is older workers' retraining programs which a couple of the provinces has still yet to agree to, and also cuts in VIA Rail and base closures, if I have time.

Our cities and towns are being left to decay by the federal Government's refusal to join with municipal and provincial governments to deal with the problem. This is a growing and critical problem across our country. We see it in the United States in the inner core of its cities, on its interstate highways and bridges which are literally rotting because of the lack of funds at the local and state levels. We are now seeing that here in Canada and indeed we have seen it for several years.

For example, 138 of Ontario's 371 sewage treatment plants do not meet provincial and environmental standards. That applies today in 1989. Only 10 per cent of raw sewage east of Ontario is treated at all.

These days the Government is heralding this tremendous breakthrough in an agreement with the United States on getting control of acid rain emissions. There are arguments for and against the specific details as they were revealed in Washington a day or so ago. There is no question that that is a very important environmental concern.

Right here in our own cities, in that part of Canada that is east of Ontario, only 10 per cent of raw sewage is being treated and the rest of it is being dumped into our waterways and into our lakes. This is an absolute disgrace. This problem was neglected for years by former Liberal governments and it has been neglected by the

present Government, although some initiatives of late have been taken, but not nearly enough.

Water quality is of such a concern to Canadians that last year they spent more than $80 million on bottled water. Most of those people are afraid to drink the water that goes into their homes in our municipalities because of all the additives.

The Hon. Member for Kingston and the Islands (Mr. Milliken) says "rubbish". I hope that the people in Kingston are aware of the problems that they face, and other municipalities face, in terms of safe water for drinking. Perhaps the water is fine in Kingston, or perhaps where I live in Brantford it is fine. However, Canadians who refused to drink out of their own taps spent $80 million to buy bottled water and it is becoming a serious problem.

The value of Canadian water treatment and delivery systems is now more than $100 billion. The bill for the next five years for repairing aging underground pipes is estimated at $3 billion and another $3 billion will be needed to improve water and sewage treatment facilities. That is $6 billion needed by our municipalities over the next five years. There is nothing that I can see in the Estimates that will go to any of those projects to help to solve any of those problems.

According to George Cuff, President of the Federation of Canadian Municipalities, municipal governments and the provinces are willing to sit down and discuss funding such rehabilitation programs. The federal Government is not as willing, according to Mr. Cuff.

Another area that touches the day-to-day lives of average Canadians in their homes and on their way to work is the whole area of transportation. The transportation sector, roads and bridges, is the most neglected area of municipal infrastructure today. The Government of Canada levies heavy taxes on the users of gasoline and diesel fuels, yet channels none of those revenues into the road system.

Recently, the Minister of Transport (Mr. Bouchard) has designated certain highways to be national highways. In doing so, all he has done is to change the name. He has not provided any funding to upgrade those highways, make them safer, or preserve them. Many of our highways are rotting right beneath our eyes and we are doing very little about it because the funding is extremely limited. The Government therefore should consider earmarking some of these funds for transportation and infrastructure. I emphasize that we are talking here in terms of billions of dollars. Local taxpayers on their property assessments who are being gouged for such things as education and other municipal services, cannot be expected raise the other $6 billion just for these two areas alone. This will make owning a house or maintaining a house absolutely prohibitive.

• (1630)

Former Environment Minister, Mr. Tom McMillan, said the Government is unable to act because of the Constitution. That is always a very convenient way out around this place, and it holds no water at all as an argument. The provinces have already said that they are willing to co-operate on any constitutional change or agreement that may be necessary. In fact, a communiqué issued by the twenty-ninth annual premiers conference in Saskatoon last August stated:

> The Premiers agree that the continued competitiveness of the Canadian economy will depend to a significant degree on the maintenance and improvement of vital local infrastructure. A healthy economy as well as healthy and liveable cities, towns and villages depend on having adequate transportation networks, water supplies and sewers.

The Premiers called on the federal Government to support provinces in maintaining municipal infrastructure. We would certainly like to repeat that call here today.

Along with the expenditure of some $6 billion to improve local municipal infrastructures there would be a tremendous job creation program. So we are not talking about throwing money away on making local improvements. We are actually talking about investing money. The program that the FCM has proposed, which is supported by my Party, will create 330,000 person-years of employment over its five-year life span and strengthen communities across the country. FCM president, George Cuff, has said:

> Something is wrong with a society that has people, who would rather work, lining up on a crumbling sidewalk to collect UIC benefits.

I would like to speak about another aspect of the borrowing authority and what the Government should be spending money on, or borrowing money to spend money on, which it is not doing or is doing in a haphazard and limited way; that is older worker retraining. One of the great tragedies of the workplace today is the plant closure that throws out of work lifetime workers who have put in 10, 15, 25 years. They have reached the age of 45 or 50 and they are thrown out of work through no fault of their own. They find it extremely difficult to find

work of a comparable nature or income, if indeed in some parts of the country they can find work at all.

The Government's Bill C–8, the Program for Older Worker Adjustment, sometimes referred to as POWA, implicitly recognizes the inadequacy of current UIC policy to meet the needs of older workers. We are especially concerned that it hinges on provincial ability and willingness to participate. This may offer greater flexibility, but it also encourages disparities. Indeed, some provinces, the Province of Ontario for example, have not completed negotiations with the federal Government. As a result, thousands of older workers in the Province of Ontario are not able to take advantage of the POWA program. Moreover, the total proposed budget for POWA is a mere $60 million. This means that roughly 6,000 workers can be retrained through the program. Currently 415,000 workers aged 55 to 64 are out of work, but only 100,000 of these are considered officially unemployed. Even 100,000 would not make a dent on those figures in terms of re–training.

If all the money that is available at this time is $60 million, that would retrain approximately 6,000 workers. In my constituency of Brant alone, as of February of this year, there were 1,318 workers between the ages of 44 and 64 collecting unemployment insurance. More are now on welfare. CEIC does not have a separate figure for those 55 and over in my constituency. There are 200 to 250 older workers from the Massey Combines plant alone still in need of the type of retraining that a POWA program could offer.

I recall a number of years ago when both White Farm Equipment and more recently Massey Combines shut down and went out of business in the farm implement industry. This had a devastating effect on the lives of hundreds, indeed several thousand workers in my constituency. I fought very hard in those days to get the farm implement industry included on the list for older worker retraining. I will say that this Government did come across and added that class of workers to the program. However I do not know how $60 million is going to go very far toward solving the problem of retraining older workers. For example, in my constituency of Brant, only 30 per cent of older workers who lost their jobs between 1981 and 1984 had found re–employment by January 1986. I do not have current figures, but I strongly suspect that an awful lot of those workers are still looking for meaningful work that pays a decent wage. They may have part–time work, work that they are not suited for or at lower rates of income. This is extremely disruptive to their personal lives.

We now have a program to be funded with $60 million; yet in August 1985 the advisory council to the then Minister of Employment and Immigration called for a $1 billion adjustment program for older workers. This Government came up with a figure of $60 million. What we should see implemented is a federally controlled and financed program under the UIC Act which would provide an extension of benefits for this group and would apply to all older workers regardless of the cause and nature of their layoff.

I do not know why they have to limit the benefits of retraining to certain industry sectors. Surely if any industry, city or urban community shuts down, closes its doors and throws older workers out of work, they should automatically come under a national federal retraining program. They should not have to go through all the red tape of having to prove that they belong to a certain industry sector and that that industry sector falls under the POWA agreement. It should be for all displaced older workers, not just those in certain designated industries.

Furthermore, we recommend the following for the POWA program: One, incorporate the earnings based benefit formula into POWA with the minimum benefit being two–thirds of an individual's income; two, provincial and employer participation should be guaranteed through legislation if necessary; three, a job protection board should be established to evaluate layoffs, ensure adequate notice and ensure that the terms of POWA are negotiated before layoffs take effect; and four, a levy grant system to ensure employers contribute to training.

In concluding this part of my address this afternoon, I cannot stress too much the significance of retraining programs for men and women in their middle years of employment. It is an absolute shame in a country as rich as ours that people are thrown out of work, their jobs are terminated and they have virtually nowhere to go except initially part–time jobs or lower paying jobs. All this is extremely disruptive to family planning and budgeting to say nothing of the pall of emotional depression that often settles over families and individuals because of the

terrible disruption in their work lives and in their financial income.

I mentioned at the outset that I would like to say a few words about the Government's cut-backs on VIA Rail. The Government is asking for a borrowing authority of some $24.8 billion. Then it turns around and pulls the rug out from underneath VIA Rail. I do not know what kind of thinking is going on in this Cabinet when it comes to transportation. I must say with complete openness and honesty that the present Minister of Transport (Mr. Bouchard) is one of the great disappointments on this side of the House in terms of this Government. He has shown absolutely no innovative or creative approach to his job. The only approach that he has brought to Transport is to build down, cut back, close, shut down. It has been a totally negative approach. He is fighting change all the way. He is fighting improvements all the way. We already have in place a tremendous network of railroads in this country. We have a huge country. It logically follows that we should be promoting rail traffic for both freight and passenger services, particularly in those areas of the country where it is most difficult to move people around, most of whom cannot afford air travel which is going to get more expensive, not less expensive as the years go by.

• (1640)

Second, as a commuter service alone, there is tremendous justification in the so-called Golden Triangle between Montreal, Ottawa and Toronto. If we increase the effectiveness and efficiency of rail travel between those three centres, it could relieve the pressures at Pearson International Airport, here in Ottawa, and at Dorval. We could reduce the number of inter-city flights by up to 100 a day if the speed at which those trains travel could be increased to a point where they could travel from downtown Ottawa to downtown Toronto in two hours. If the French can do it, we can.

If that service can be provided I suggest that there will be a response from the travelling public. Rather than pulling back and saying it cannot afford it because no one travels by train today, the Government should move ahead to improve the service, the number of trains and the speed at which they travel. Business people as well as people on holidays will automatically go by train because it is more comfortable. Those who have been around long enough to have travelled on trains long ago would probably suggest that it is a more gracious way to travel.

Trains can solve a very practical problem. It has nothing to do with nostalgia or dreaming in the past. The cost of air transportation is increasing and will continue to increase. The pressure at some of our airports is downright unsafe and extremely costly. Let no one be mistaken about the fact that this Government as well as previous Governments have substantially subsidized air travel.

Finally, our highways certainly in central Canada have reached the point where travelling through Toronto has become almost impossible. The Government's answer to this is to increase the number of buses.

Mr. Milliken: And cars.

Mr. Blackburn (Brant): Buses and cars. The province cannot afford to improve our highways, widen them or build any more. Yet the Government is dumping more and larger vehicles onto the highways by cutting back on VIA Rail.

While there were two or three other matters I wanted to raise, I see that my time is up. I appreciate having the opportunity to speak once again to Bill C-11, an Act to provide borrowing authority.

Mr. Whittaker: Madam Speaker, first let me congratulate my colleague for an excellent speech. He touched on a number of matters of interest, but unfortunately I cannot assist him in his predicament of not having enough time to complete his remarks.

I am interested in the issue of VIA Rail cut-backs and the problem that has for us in the future. The New Democratic Party just completed an environmental task force study on the uses and abuses of fossil fuels to learn about what we may look to in the future to assist in cutting back on various emissions.

Will the Hon. Member comment on how the Government's projections for VIA Rail would assist the environment? What suggestions does he have for the

Government in the area of VIA Rail and the environment?

Mr. Blackburn (Brant): Madam Speaker, I thank my colleague for his question.

Mr. Milliken: An unbiased question.

Mr. Blackburn (Brant): Whether it is biased or unbiased, the point is that one of the great issues today is the environment and the negative impact of certain sources of energy on our environment.

We are in the process of attempting to come to grips with acid rain, and it will be extremely costly for our country, the United States and other countries in the world.

At the same time, when it comes to ground transportation, the Conservative Government is doing what it can to reduce the availability of a mode of transportation that is essentially environmentally friendly. I do not have to remind the House that diesel fuel is much less dangerous to the environment than gasoline or jet fuel. Yet the Government is going out of its way to encourage bus companies, trucking companies and airlines to continue to pollute our highways and our air space.

There is a huge infrastructure of rail lines across Canada for the purpose of transportation not only of goods but of people. It is a mode of transportation that should be encouraged, modernized, updated and expanded because its effect on the environment is minimal.

The slogan of the Conservative Government during the last election was "the Party who could manage change". It is changing things all right, and I guess it is managing it, but it is a change from the 1980s back to the 1920s in most respects. It cannot visualize or anticipate what is leading us into the next century. The Conservatives are unable to come to grips with it because of its doctrinaire conservative approach that is more reminiscent of my grandfather's day than mine.

The railroad is not a relic of the past. One need only go to Europe to see that it is a vehicle that is adaptable to change. The environment is certainly a very important consideration in adapting a rail system to the modern era. It is environmentally friendly in the sense that it has a minimal negative impact on the environment.

Mr. Stupich: Madam Speaker, I too am interested in my colleague's remarks about VIA Rail. Petitions have been presented in the House urging the Government to maintain VIA Rail service and improve it. The people who built the Esquimalt and Nanaimo Railway on Vancouver Island received tremendous acreage in land and substantial resources from the Government in exchange for building that railroad. They were obliged to continue the passenger service. I expect the same holds true for VIA Rail services all across Canada.

Do the railways have a legal obligation to maintain that service, and did VIA Rail assume that obligation when it was organized? Is there a possibility that citizens who have shown in great numbers that they want that service continued will take to court the railways, VIA Rail or the Government to enforce upon them the original obligation to maintain the passenger and freight service by rail in Canada in all railways that have been built with government assistance?

Mr. Blackburn (Brant): Madam Speaker, the Hon. Member poses a very interesting legal proposition. I am not a lawyer but it might be interesting to hear the Government in Ottawa suggest that if CP, CN, or VIA as one of its chattels, terminated passenger service it would have to give up title to the land that the Government of Canada very graciously gave it in the 19th century as part of the recompense for the outlay and cost of putting the railways through in the first place.

• (1650)

Conservatives and some Liberals would like to argue that the great iron horse went across this country primarily on private initiative and private money. No such thing ever happened. Any Canadian historian worth his salt knows that over 50 per cent of the money which went into the building of the CPR came from the public treasury and not the private treasury. Yet, successive Liberal and Conservative Governments have the unmitigated gall to stand up now when we need the railways and say: "Okay, fine, you can shut them down." In fact, this Government is doing everything it can to close them down, but it does not dare tamper with the lands, with its private vested interest which it got for the purpose of maintaining the railroad as a recompense or as a source of revenue in order to pay back its private debts.

I think it would be very, very interesting if the word went out that unless The Government continues to provide that service, it would lose its land and property.

The Acting Speaker (Mrs. Champagne): Further questions or comments. Resuming debate.

Mr. Milliken: On a point of order, Madam Speaker. I have had a discussion with the Minister of Public Works (Mr. MacKay) and with the Hon. Member for Regina Wascana (Mr. Schneider). I believe that in light of the proceedings about to be undertaken at another place some distance from the Hill, it might be appropriate to release the pages at five o'clock in order that they can proceed to attend there. I wonder if there could be a disposition on the part of the House to permit them to leave at 5 p.m?

Some Hon. Members: Agreed.

The Acting Speaker (Mrs. Champagne): I think the Members have heard the suggestion from the Hon. Member for Kingston and the Islands (Mr. Milliken). If there is unanimous consent in the House, the Chair would be very pleased to use this small way to say thank you to our pages for their dedication and their hard work all through the year. I think it would be a nice occasion for all Members to join me in thanking them.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mrs. Champagne): Resuming debate, the Hon. Member for Hamilton Mountain.

Ms. Beth Phinney (Hamilton Mountain): Madam Speaker, I rise today to express deep concerns about Bill C–11. When one looks at the big picture objectively, this Bill appears to be quite a paradox. Does it not seem odd that this Government, constantly reminding Canadians about the magnitude of our national debt, attempting to foster a sense of fiscal paranoia in this country, now comes before this House seeking the authority to borrow more than $29 billion. Yes, Madam Speaker, more than $29 billion at a time when restraint is the catch word of this Government. It seems that this Government knows how to say restraint but it certainly does not know how to practice it.

Aside from being the masters of the "do as I say, not as I do" mentality, the Government further complicates matters by ignoring the essential needs of Canadians. To add insult to injury, this Government first breaks election promises nearly every day. It ignores the basic demands and needs of Canadians. Then it comes before this House seeking borrowing authority for more than $29 billion.

Yesterday, the Government made all that I have said abundantly clear. Yesterday, in this House, the Government flatly rejected a motion which was not critical of the Government, nor did it imply any wrongdoing on the part of the Government. Yesterday, the Government uncategorically rejected a motion which in the most gentle way urged the Government to assist those in our society who desperately need support.

The motion simply requested, and I quote: "that this House call upon the Government to take steps to enhance the federal commitment to the support of post–secondary education, scientific and technological development, job training and re–training, and the battle against illiteracy, all of which provide the essential foundation for building a strong and competitive future for Canada."

Yet this Government rejected that motion. It rejected a motion which was directed at helping the needy in our society. It is a motion which the Government should have been proud to support. What kind of Government would vote against helping the unemployed, the untrained and the illiterate? In short, what Government would vote against a better future?

It is in this light that I must query the Government's priorities. Before us lies an issue which has received pitiful little attention, illiteracy. Illiteracy is a national problem which has reached astonishingly high proportions. The costs of illiteracy are staggering. Aside from being an affront to the dignity of each individual, it places a heavy financial burden on the business community and a tremendous burden on Canadian society.

As a developed nation, a nation which has free and compulsory education, Canada's commitment to human dignity has been hollow. It is appalling that such a wonderful nation as ours, which claims to have one of the highest standards of living in the world, also has a rate of illiteracy that stands at nearly 20 per cent. That means that virtually one of every four adult Canadians is functionally illiterate.

Just last September, the Prime Minister (Mr. Mulroney) stated, in an address on literacy in Toronto, and I quote: "The urgency of the literacy issue is compelling in both social and economic terms. With one Canadian in four functionally illiterate, we run the risk of two societies, composed of those who can read and those who cannot. We will not have two Canada's in the socio-economic sense any more than in the constitutional sense. We want one Canada, united, prosperous, with equal opportunities for all our citizens".

Wonderful words, but it is quite clear that this promise belongs on the shelf with all the rest of the Government's broken promises. The Prime Minister also stated that the problem of illiteracy is costing Canadians $10 billion per year. As I mentioned earlier, this Government is providing $22 million per year.

Many believe that illiteracy is an imported problem, that immigrants to Canada unnecessarily boost this number. Nothing could be further from the truth. Some 78 per cent of the functionally illiterate in Canada were born right here in Canada.

The problem of illiteracy is linked uncategorically to the greatest indignity of all: poverty. Sixty per cent of Canada's functionally illiterate are unemployed. In this vicious circle, the unemployed illiterate population are not looking for jobs. They are not looking because they cannot find jobs. When they do find jobs, they cannot keep them.

Where does one look for a job when he or she cannot read the want ads, cannot read the classified and cannot even read the yellow pages? What purpose do employment centres serve for the functionally illiterate when they cannot read any instructions?

Imagine, Madam Speaker, the humiliation of having to tell a prospective employer that you are unable to fill out even a simple application for employment. Imagine the embarrassment of being unable to submit an application for a social insurance number.

Aside from the humiliation and suffering which illiteracy causes individuals, it also entails overwhelming costs for society. In financial terms, the over-all effect of illiteracy on the economy is staggering.

The Canadian Business Task Force on Literacy has estimated that the problem costs upward of $4 billion annually to the business community. These costs include $1.6 billion for industrial accidents. These are accidents which could and should be avoided were it not for the inability to read warning signs printed on machinery.

The social costs of illiteracy are equally staggering. In economic terms the costs include higher unemployment, lack of trainability and higher social assistance payments.

As well, there are the non-economic effects of illiteracy on society. We are aware that within the international arena, literacy is one of the variables used to measure the rate of a nation's development. What statement is made when Canada has such a horrendously high rate of illiteracy?

Clearly, this is a massive problem. It is a condition which is continually spreading. It costs the business community billions of dollars each year, chips away at Canada's reputation, adds costs to Canada's ever increasing assistance programs and, most of all, belittles and humiliates individuals in this great land. When one really looks at the situation objectively one sees that Canada's sparkle is fading quite rapidly.

• (1700)

Thus, we must do more to combat the problem of illiteracy. We must take a bold new initiative, an offensive against this indignity. In September, 1988, the Government launched what appeared to be such an offensive. Today, less than 12 months later, we are able to see exactly how inadequate those measures have been. Today, we are able to recognize exactly how insincere the Government has been.

A $110 million program was announced at that time. We soon realized that this amount was to be invested over five years, thus, $22 million per year. In comparison to the National Capital Commission's lawn-watering annual budget of $105 million, the amount becomes much less impressive.

In terms of dollars and cents—since that is the only language this Government seems to understand—it is fiscally irresponsible to vote $22 million toward a problem which extracts $4 billion to $10 billion from the economy. More important, it is hypocritical and deceiving of the Government to profess a sincere interest in this issue and contribute what equals only $5 per illiterate Canadian over five years.

Such token gestures as this will not solve the problem of illiteracy. It will barely make a dent in the problem. This Government would have more luck trying to empty Lake Ontario with a bucket.

In closing, I would like to urge the House to reject this Bill. It is ludicrous that the Government would come before the House seeking borrowing authority when it has neglected crucial social and economic concerns. The Government deserves no more from this House than it has given the needy of Canada.

Mr. Parent: Madam Speaker, I was particularly interested in the discourse given by the Hon. Member from Hamilton. I believe that illiteracy is one of the most serious problems in Canada today.

[*Translation*]

We all know that of those now going to school, about 55 per cent, I believe, graduate after 4 or 5 years, in Ontario. We also know that of the remaining 40 per cent, many cannot even read.

So I hope that the Government will be able to solve this problem.

[*English*]

A question to my hon. colleague is as follows. Is there any estimate as to the cost in dollars of illiteracy? Is there a price-tag on it as to what we as a nation lose because some of our citizens are unable to function in a society which demands that they be able to read and write so that they will know what is expected of them in terms of exactly what they are doing in our society?

Mrs. Phinney: Madam Speaker, I thank the Hon. Member for his question. The Prime Minister (Mr. Mulroney) has mentioned what the cost is to Canada. The business community has said that it would cost it $4 billion to be able to cope adequately with the problem. However, the Prime Minister informed us that with the social costs included, including unemployment, et cetera, the costs per year to Canadians because of this problem is $10 billion.

Mr. Les Benjamin (Regina—Lumsden): Madam Speaker, I appreciate the opportunity to talk about another government borrowing Bill arising out of the Budget. This will be the fifteenth or sixteenth time that I have done this, I think.

I want to start off by saying that I am still an innocent stubble-jumping prairie boy who has still yet to receive an answer from eight or nine Ministers of Finance. I keep asking the question almost annually. How does raising interest rates hold down or reduce inflation? I have never been able to understand how it happens, since raising interest rates raises the prices and the costs of every citizen, whether it is with respect to a mortgage, a car payment or groceries. It also raises the costs of Government. When costs are raised prices are raised, as are wages and dividends, which raises inflation.

Mr. Whittaker: Not to mention blood pressure.

Mr. Benjamin: As my colleague says, then everybody's blood pressure goes up.

I can never figure it out. When I did some more checking I found that for every 1 per cent increase in the interest rate it costs the Government of Canada an extra $1.5 billion. Since 1984, the rise in interest rates is costing the Government somewhere between $4 billion and $5 billion extra which it must raise. I suspect that some part of that is in this borrowing Bill. However, I am still waiting for an explanation.

As a famous philosopher said many years ago, "Economists are like theologians. Every religion other than their own is an invention of man, whereas their own is an emanation from God". It was Karl Marx who said that.

Then there was another fellow who in about 1856 said this: "Labour is prior and superior to capital, and without labour capital cannot function". I ask my Tory and Liberal colleagues who said that.

They do not seem to want to bite, Madam Speaker. It was not Karl Marx. It was Abraham Lincoln who said that, the second time he ran for Congress.

The point of the matter is that if there is full employment then inflation, deficits and national debts are reduced.

Members of the Government keep saying that we do not propose anything. I would like to suggest to the Government two ways to knock some $6.6 billion off this borrowing Bill. It is very simple. It is a matter I have raised in every budget speech or budget Bill since 1969. At that time deferred corporation taxes were not very high. They now stand at $36 billion. The deferred corporation taxes which began in the early 1950s was a device to allow corporations to defer taxes on the theory that the corporation would reinvest in its plants, expand production, put people to work, increase exports—all those things. They did. They reinvested all right. International Nickel, Canadian Pacific, Bell Telephone reinvested in copper mines, coal mines and zinc mines in Guatemala, Chile, Indonesia, Mexico and other parts of Central America. They invested all right but there were

3,000 guys laid off in Sudbury. They reinvested but they did not do it here.

If these corporations were to be charged 10 per cent interest on their deferred taxes, which I think is less than the current bank rate, which would be a real deal, one would pick up $3.6 billion this year which could be knocked off the borrowing Bill. Then, if the Governor of the Bank of Canada were told that he has two choices, either lower interest rates by 2 per cent over the next months or be fired, that would save the Government between now and this time next year another $3 billion.

• (1710)

Another point I want to make is about all the nonsense and mythology we hear about deficits and debt. We in Canada financed our Second World War effort ourselves. During the "dirty thirties" the unemployment rate hit 15 per cent. In 1932 it was a catastrophic 22 per cent. When the war started in 1939 and once the war effort was in high gear, unemployment was replaced with a critical labour shortage.

The vast sums spent by the Canadian Government on the war effort were raised entirely within Canada. They were provided by Canadian taxpayers and the Canadian banking system. Not one cent was needed from outside the country. I do not see that in the financial columns, the editorial pages or in the words of economists.

Those expenditures had absolutely no economic value. They were worse than wasteful because they were intentionally destructive. Imagine what would happen if we did the same thing with the declaration of peace as we did with the declaration of war. We could mobilize the people of Canada and marshal the resources and the savings of the people of Canada to reduce unemployment to at least 3 per cent.

For every one percentage point unemployment is reduced, Government tax revenues at the federal level alone are increased by $1 billion a year. Yet we keep following the mythology that has been carried on from the "dirty thirties" until now.

People say that Governments are like individuals, they have to live within their means. They cannot spend more than they take in. Most individuals spend more than they take in anyway, and seem to survive somehow or other. However, Governments of all stripes at all levels do that all the time.

What the experts, the editorialists and columnists do not tell us is that there is a fundamental difference between the debts of an individual citizen or corporation and those of a Government. The difference is that the individual has to pay off those debts out of his own earnings, savings and borrowings while a Government, particularly a federal Government, can do something that an individual or a company cannot do. A Government can tax the people to whom it owes the money in order to pay those people. That difference is what destroys the mythology of Governments having to live within their means.

During the war, we borrowed $100 billion a year. By the time the war was over, we had paid off a lot of those borrowings but in 1946 there was a national debt which, translated into 1988–89 dollars, would not be $400 billion but would be $900 billion. Frankly, I am sick and tired of hearing this so–called conventional wisdom when it is really conventional stupidity. In fact, stupidity has been stretched to its longest lengths ever. It has given incompetence a good name.

Between 80 per cent and 90 per cent of the national debt, this year's deficit, is money we owe to ourselves, Canada Savings Bonds, guaranteed investment certificates and Canadian bank loans, money that Canadians have loaned to the Government of Canada. People say that every man, woman and child owes $8,000 toward the national debt. The national debts of India, Pakistan, and Zimbabwe translate into $200 for every man, woman and child in those countries. If we listen to the experts here in North America, then Canada should be in a much worse mess than the Indians, the Pakistanis and the Zimbabweans because they only owe $200 per man, woman and child, while we owe 40 times that much. We each owe $8,000. Maybe the Minister of Finance (Mr. Wilson) should go to those three countries to ask for some foreign aid.

What kind of nonsense are they giving us? What kind of stupidity are they asking us to believe? They continue to do it backward. They have failed entirely to learn the lessons of the past, and therefore they are condemned to repeat the same mistakes at the cost of employment and to the deprivation of millions of Canadians just for the sake of the Gnomes of Zurich, the idiots in the nether regions of the Department of Finance.

I have shown how the Government could knock $6.6 billion off this borrowing Bill. Now I want to show how it could add about $8 billion to it. Why is this so? If money is borrowed simply to pay off other debts, it is not self-liquidating, it is a dead-weight debt. Let us borrow another $8 billion a year and let us put $1 billion into VIA Rail over the next five years, re-equip it and give it faster schedules so that it can succeed. Let us put enough money into cleaning up our air and water, putting a quarter of a million Canadians to work over the next five years. Let us put enough money into chronic care beds, hospital expansions and hospital equipment. I watched a spectacle in my own city. Hospital administrators were begging on their hands and knees on the streets like beggars trying to get donations to buy equipment. That is how Tories who claim to support medicare when they opposed it support it now. Let us invest money in that. Let us make the Port of Churchill a seven-month-a-year port, not three. Let us make something of it. We are a northern country. When are we going to start acting like one?

• (1720)

We need a million units over the next four or five years, senior citizens' housing, co-op housing, low-income housing and chronic care beds. That is another $3 billion or $4 billion. But those are not expenditures, those are investments. I say that because all the people you put to work pay taxes and the revenues received by the federal and provincial governments will more than pay off those borrowings. The new equipment for VIA Rail alone will pay for itself in five to seven years. We put almost as much money into fixing up old locomotives and old railway cars as what new ones would have cost. Amtrak is way ahead of us in the United States. The U.S. re-equipped Amtrak and the government would not allow the American railways to overcharge Amtrak for the use of the rails. Let us make CNR and CPR give $80 million back that VIA Rail got stuck for in paying for that old worn out equipment. The U.S. Government did not do that with Amtrak in the United States.

VIA Rail, before it sold its first ticket, before the first train even moved out of the railway station, was in debt for over $100 million just in start-up costs alone. It started out with the deck stacked against it. VIA Rail has never in 12 years, since 1976, been given a chance. It has been hobbled continually by the previous Liberal Government and its three Ministers of Transport as well as the present Tory Government with three successive Ministers of Transport. They do not know how to run a railroad or much else. But who is running the affairs of this country? The people in the Bank of Canada and the Department of Finance, and they are not interested in how you put Canadians to work. A full employment policy is the only solution to reducing deficits and the national debt. That was done during the Second World War.

But all the things we can and should be doing in other parts of the world that puts Canadians to work who pay taxes in five, eight or ten years could wipe out an annual deficit and reduce the national debt to a few billion. That debt could be cleaned up in one year or subsequent years.

Why do we keep making the same mistakes we made in the 1930s and 1940s? Well, we quit making the same mistakes in the 1940s, 1950s and in the first half of the 1960s then we reverted back to the 1920s. I ask why for goodness' sake we cannot just reverse what we have been doing? I know the usual line will come out. The NDP are the big spenders. Well, the New Democrats are the big investors. We are the ones who took over a province that was totally bankrupt, that could not borrow a nickel anywhere in Canada or the rest of the world. We paid that debt off and left office with a surplus of $400 million. After seven years of Tories we now have a debt of $4 billion in my little province. But during the course of the NDP years in office, we electrified 60,000 farms, brought in hospitalization and medicare and 100,000 miles of grid roads. We know how to do it because we have done it. We are not going to put up and listen to this nonsense we have been getting from successive Ministers of Finance to keep borrowing money and throwing good money after bad for borrowings that were totally unnecessary and unneeded.

I have shown the Government two ways to knock $6 billion off the borrowing Bill. I have proposed several means of adding $8 billion to it. I say put the people of

Canada to work and you will pay off the $8 billion in the next two years. That is the route to go. It is the only way to go.

Mr. Tom Wappel (Scarborough West): Madam Speaker, I have been here all day listening with rapt attention to the speeches delivered, particularly the last one by the Hon. Member. I have been examining the lengthy Bill C-11, which contains all of three sections. The interesting thing that I have noted about this Bill is how deceptively simple it is for the magnitude of what it is doing and upon which it is based.

For example, in Clause 2 we see that the Government wants a mere $24.8 billion. For what? For items that may be required for public works and general purposes. Those are pretty broad and nebulous four words, "public works and general purposes". Were we ever told what these public works and general purposes were? I guess we were. In the Budget that was delivered by this Government, or shall we say announced on television instead of delivered to the House of Commons, we were told what the Government's plans were going to be. Over the course of today during the heckling and questions which have taken place, over the course of debate on the Budget, virtually all of the speakers, the hecklers and the questioners on the government side have spent a lot of time telling us about past sins of our colleagues in past Liberal administrations.

That is not the issue. The issue is not who caused the problem of the deficit but what the solution is going to be and how to solve the problem. We all agree that our financial house must be brought into order. So the question Canadians are asking themselves is very simply, was this Government honest with Canadians about the country's financial affairs and its proposed agenda to deal with them? I say no. I say that because Canadians must ask themselves a series of fundamental questions about what this Government's financial agenda is and what this Government is going to use billions and billions of dollars for over the period of the next year.

I ask, were Canadians told prior to November, 1988 that our national debt was crushing and the deficit was unmanageable and unbearable? No, they were not told that. In fact, the Prime Minister (Mr. Mulroney) said that people were not listening to him. What did the Prime Minister say? We were listening to him. He and the Minister of Finance (Mr. Wilson), in fact, painted a very rosy picture. The Prime Minister said, "We have tackled the deficit". "Our promises"—and at that time they totalled about $15 billion—"are all within Michael Wilson's fiscal framework. Every nickel has been accounted for". We have heard that quote many times.

When the Prime Minister was speaking on the Government's proposed child care program, which amounted at that time to approximately $6.4 billion, he said: "It is a program that the nation can afford in our current fiscal circumstances and within the budgetary framework we have set". A few days before the election, when responding to a news report that the deficit would rise, his Minister of Finance (Mr. Wilson) stated that was not accurate, stressing that the Department of Finance had no projections showing a higher deficit. In view of the Budget and in view of the request by the Government for moneys to pay for what it intends to do, we know that those predictions were untrue. We know that the Tories were not honest with the Canadian people.

• (1730)

During the election campaign, did the Government tell us that 45 per cent of our public debt, fully $145 billion, had been accumulated since 1984? The answer is no. We heard a Member in an earlier speech taunting a Member on this side of the House when she was giving her speech on that very point. Were we told that over the past four years the Conservative Government has raised sales and income taxes 25 times? No, we were not. Were we told that the Government would financially completely pull out of the unemployment insurance program, as suggested in the Budget, leaving it to Canadian workers and employers to pay more?

Were we told that VIA Rail would be emasculated? Were we told that the vaunted Tory commitment to defence would be demonstrated by such courageous actions as budget reductions and closures of bases?

I do not ask whether Members or Canadians agree or disagree. I ask, were they told? Were they told that social programs such as unemployment insurance and old age pensions would be tinkered with? Were they told that foreign aid would be slashed? Were they told that average Canadians' taxes have risen 60 per cent in the last four years, while the taxes of those earning more than $100,000 have risen by only approximately 8 per cent? Were they told that they would pay, in addition to all the other taxes the Government is asking them to pay, in order that the Government can borrow $24.8 billion, an additional 9 per cent goods and services tax on virtually everything? Were they told that the Government would abandon its child care commitment? No. Canadians were not told that.

The issue is not whether Canadians agree or disagree with some or all of those measures. Naturally, there will be people on both sides of the issue. Rather, the issue is the failure of the Government to come clean with Canadians.

What about integrity? Last month the Prime Minister (Mr. Mulroney) stated that Canadians were not listening to him during the election campaign. That is not true. Canadians were listening carefully, but they were misled.

The Tories tried to blame past Liberal Governments, but almost half of today's debt was accumulated in only four short years of Tory Government. The stated purpose of the Budget is to control the deficit. Yet, the deficit continues to rise. It is higher today and it will be higher tomorrow than what it was before, notwithstanding the stated purpose to control it, and in fact reduce it. The Tories have had almost five years to do something, yet both the debt and the deficit have only increased. What is the answer? The Prime Minister blames this not on bad fiscal management, but on previous Liberal administrations. Where is his integrity?

Some Canadians criticize the Opposition for criticizing the Budget. What would they do? Would they entice the Canadian electorate with election candy and then hit them over the head with a financial sledgehammer? At my monthly public forums, I have asked my constituents how they would deal with the problems. As might be expected, there were many suggestions, including controlling interest rates, eliminating capital cost allowances and corporate write-offs not allowed to ordinary Canadians, eliminating or tightening up federal grants, lessening military spending, temporary across the board cut-backs in government spending, and many other suggestions.

Naturally, at those public forums, no one agreed entirely on all the solutions. However, what we did agree on is that Canadians can and do expect to be told honestly and with integrity that we face a problem and the proposed solution to that problem. Instead, after the election, of course, the Government told us to tighten our belts without having first told us in advance that it would take our pants off.

The Government wants to borrow $24.8 billion and more to come. What do we get for it? It is up to us as Canadians to decide which we want: deception and double-talk, or honesty and integrity, for we will inevitably get the kind of government we deserve.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Madam Speaker, it gives me pleasure today to speak against the borrowing Bill. The Government is requesting borrowing authority for $24 billion of taxpayers' money. In the preamble to the Bill, it can be seen that we have an accumulated deficit that exceeds $320 billion. This year's estimated deficit is approximately $30 billion.

When one looks back at the election last November, the deficit was not a very high priority. I do not recall at any time during the election when the deficit was an item of debate.

What were items of debate were the promises that the Government was prepared to offer to the taxpayers of Canada with their own hard-earned money. The promises from the Government totalled almost $20 billion. Was the Government worried about the deficit at that time? It seems not. The Government certainly did not mention it. Were they worried about the impact of the increased expenditures that those promises would bring? It does not appear so.

The Tory election promises presented certain expectations to Canadians, particularly in the areas of day care and environmental priorities.

During the election campaign, I clearly remember the Prime Minister (Mr. Mulroney) indicated strongly that they were not promises. They were commitments that the Government was willing to make and stand by. It is interesting because now that the election has been fought and won and the dust has settled, where are the promises? Where are the commitments? Suddenly the Government has been re-awakened with the need of pressing financial priorities. Suddenly, it has discovered that there is a deficit to deal with. It was strange that was

not understood during the election when the Government made $20 billion worth of promises to the Canadian people.

• (1740)

The deficit suddenly became critical only after the election. The commitments that were made during the election suddenly disappeared. There is no doubt in my mind, as there is no doubt in the minds of every Canadian across this land, that this election was bought. But it is not going to be paid for. Those commitments have already been broken. As a result of the Draconian measures taken in this present Budget, Canadians will find that they will have less disposable income. There will be less to put on the table. There will be more unemployment. There will be less economic development. There will be less in social programs, programs such as unemployment insurance which the Government is now opting out of and placing the responsibility and the burden upon the unemployed worker and the small business community, transferring money from the insurance side of the program to the job creation side.

I do not believe any Member in this House has any problem focusing on the need for job creation. We have been talking about that for some time now; particularly in areas such as the interior of my province of British Columbia where unemployment still exceeds 17 per cent, areas such as the Maritimes where the unemployment figures are just as discouraging. We do not question the need for job creation. We understand that it is a necessity. However, we do not believe that the Government should remove the funds from the insurance side of unemployment insurance in order to finance these kinds of programs.

Back on October 13 at a public meeting in St. John's, the Prime Minister (Mr. Mulroney) made a statement which was quoted in the local press. He said as follows:

> The federal Government has a responsibility for regional development in the interest of national unity and as well as in the interest of fairness. We can't have two Canadas—We will not have one Canada that is prospering at the centre while the other regions do not receive a fair share of economic opportunity.

The very nature of the programs that this Government seeks to introduce through this Budget put a lie to these words of the Prime Minister.

Just look around. The economy in Southern Ontario is fairly robust. We saw in the paper just the other day that unemployment levels are down in the area of 3 per cent to 3.5 per cent. Some areas of this country are doing quite well, but other areas of this country are hurting and hurting badly. Because of the direction that this Government is taking by pulling back from those regional economic development programs, by pulling back on funding from Western Diversification, by pulling back on funding to the Atlantic Opportunities Agency it is in fact exacerbating the problem of regional disparities. Over the next few years when the impact of this Budget is felt, regional disparities will increase, not decrease.

I want to talk about my province for a moment, British Columbia, with respect to regional development. All nine of the economic and regional agreements between British Columbia and the federal Government are due to expire in March 1990. Funding arrangements are being reconsidered. That is about as much as we get, that they are being reconsidered, but if that reconsideration is similar to what is happening with agreements in the other provinces where in fact renegotiation is not even taking place, I ask the Members of this House what can the Province of British Columbia expect when its regional economic development agreements expire next year?

I believe there are about five provincial agreements that have expired as of the passing of the last fiscal year. Are they being renegotiated? They are twisting in the wind. Many of the regional economic development programs that were funded through those joint venture federal–provincial agreements are simply stalled for lack of funding. The forest resource development agreement in British Columbia is worth $300 million over its five–year term, $150 million of that from the federal Government, $150 million of that from the provincial Government. British Columbia is attempting to negotiate its second five–year term.

This is one area that has been working reasonably well. The present agreement for forestry, the ERDA Agreement for British Columbia, has in fact created 100,000 jobs during its term to date. It has had some important aspects for the forestry industry in that province. It has

provided for the growth of seedlings, the planting of seedlings, site preparation, the development of silviculture programs. It has provided for weeding and thinning of tree farms and it has provided for basic forestry research. It has provided job creation both in the short term and in the long term.

That second forest regional development agreement will be badly needed because we have only just started to replenish the backlog of NSR lands that British Columbia has accumulated. We have only just started to recognize the extent of the problem in the Province of British Columbia which has the lion's share of the forestry industry in this country. We have only just begun to recognize the critical need to fund the replanting of trees.

When you fly over British Columbia, and I do it almost every weekend, you realize the extent of the devastation of our forests. You realize just how much of our forests have been cut down, have been cleared off and are left lying fallow with the land eroding, the minerals leaching out of the soil, making it more and more difficult for future forestry projects. The regional development agreements for forestry are badly needed in British Columbia, as I am sure they are badly needed in all provinces that have forestry as an industrial base. It is not the time to cut these programs off at the knees. It is not the time for retrenchment in terms of the economic development potential of these regional development programs. It is a false economy, and this Government will live to regret the day if it cancels those programs. Forestry is British Columbia's most important industry. The livelihood of thousands of people in British Columbia depends upon the continuation of those federal-provincial agreements.

I want to turn very briefly to an area of particular concern that is also relevant in terms of the discussion of this budget. That is the impact that the Free Trade Agreement has had in our industrial sector. As we discussed earlier in the House today, there was a recent announcement in the Province of Quebec that Consumers Packaging in Ville St. Pierre would be closing its plant, laying off about 460 workers. We also heard that Consumers Packaging, which is in a monopoly position in glass manufacturing in Canada, is also slated to close one of two western plants in Alberta and in my riding of Okanagan—Shuswap in British Columbia. If the Alberta plant closes, 300 jobs are on the line. If the British Columbia plant closes, 450 jobs are on the line.

• (1750)

When I began to look at the reasons behind these closures, I found that there was a string of very solid evidence to demonstrate just what is happening to the glass manufacturing industry in Canada. In fact, in my discussions with representatives of the industry, with the chief executive officer of the parent company, Enfield Corporation, we find that Consumers Packaging is having a very difficult time going up against the large American giants in the glass manufacturing industry. We also find that in the Free Trade Agreement there are provisions to reduce and eliminate over a 10 year period the Canadian tariff structures on glass product imports into Canada. We also find that as those tariffs are reduced, the Canadian manufacturing industry will find it increasingly more difficult to remain competitive with their American counterparts. Those are not my words, they are the words of the chief executive office of Enfield Corporation, which is the parent company of Consumers Packaging.

We have solid evidence that this Canadian glass manufacturing industry is in fact rationalizing its production. In other words, I am talking about closing plants and laying off workers. Some 900 jobs are at stake with the plant closing in Quebec and one plant closing out west, whether it be in my riding or the one in Alberta.

The Minister for International Trade (Mr. Crosbie) had the audacity to get up today and bombastically comment on the good things that the trade agreement has brought to areas such as mine in the Okanagan—Shuswap. If the loss of 450 jobs is good news, I sure as hell hate to see what bad news is. Another interesting aspect is that Consumers Packaging also owns 10 plants in the United States. Is it closing the plants in the United States? No. Is it cutting back production in the plants in the United States? Not to the best of my knowledge. The plants are closing in Quebec and possibly Alberta or British Columbia. Two plants are closing in Canada, which means, to anybody who can put two and two together, that the industry is moving out of Canada and possibly relocating south of the border where the per

unit production cost of manufacturing glass products is lower.

An Hon. Member: You lost that argument last winter.

Mr. MacWilliam: I say to the Hon. Member that this argument is far from lost. We are only now beginning to see the kind of economic impact that this Free Trade Agreement will bring to the people. This argument is far from over.

An Hon. Member: The election is over.

Mr. MacWilliam: This is only one example of the kind of economic impact that the rationalization of industry can hold when it has gone head to head with American counterparts in light of the tariff reductions through trade. Many Members on the other side of the House and many members of the business community have said this is the reality of life. To some extent, perhaps they are right. However, I want to remind the House that the Prime Minister of Canada (Mr. Mulroney) made a commitment during the election that any jobs lost through the trade agreement would be recovered through a massive restructuring program and job creation program that would be assured by the Government if the Free Trade Agreement saw the light of day.

We are in the middle of free trade now, but I do not see any evidence of that massive job creation program that was promised by the Government.

I want to turn to another area of concern, an industry that I think will be hit probably the hardest as a result of the effects of free trade. It is the tourism industry.

Apart from the lip service which the Government gave earlier in terms of providing tourism with the kind of profile that is needed to recognize it as the growth industry of the future, the Government has continued to keep the tourism ministry buried within the bowels of the larger ministry, that being the Department of Industry, Science and Technology. What a strange place for tourism to be hidden. If an industry is going to be given the profile it needs, it must be given a full fledged ministry. The Tourism Industry Association of Canada has been calling for that for some time. The Government has not kept its commitment. The removal of the Regional Economic Development Programs, of which tourism programs are a part, will make it increasingly difficult for this industry to develop the kind of marketing and product development that is needed in our regions across the country.

I realize that my time is up. I will simply conclude by saying that there is much at fault with the current Budget. I believe that the economic impact of the Budget will be felt for some time, particularly throughout the further regions of this country.

Hon. Bob Kaplan (York Centre): Madam Speaker, I would be happy to see the clock if other Members want, but I will profitably use the three minutes remaining. In addressing the economic programs of the Government in such a short time, it is hard to decide on which of the many things one wants to talk about.

In the three minutes that I have, I would like to speak about the proposal to close military bases in depressed and developing regions of our country which would benefit tremendously from having these continue, as they are a very important part of those communities.

When I heard the announcement, it reminded me of a tactic I learned about in the United States known as the Washington Monument ploy. I learned about this from a cabinet colleague in the United States who said that when the Department of the Interior ever faced the prospect of a budget cut, it would put up a sign announcing that the Washington Monument would be closed because of cut-backs in its budget. This monument is visited by 3,000 people an hour and, within a couple of hours, the Department of the Interior would have the crowd lobbying on Capital Hill to keep the expenditures of the Department of the Interior intact.

I had a similar experience once as Solicitor General, when the Mounties were asked to cut their budget. They came back telling me that the first thing to be cut would be the Musical Ride.

When I saw that the base at Summerside would be closed, I thought instantly of the Washington Monument ploy. When one goes to the heart of it, it is an attempt by bureaucrats to get the public on their side in a battle against politicians. For the purposes of this argument, I am not saying that the Government should not always look for cuts that it can make in the Budget, but when

the Department of National Defence came back with that as its cut, I fault the Government for not asking the officials to find other ways in which cuts could be produced that would not cause so much suffering in the region. I look forward to continuing with the Washington Monument ploy tomorrow.

[*Translation*]

The Acting Speaker (Mrs. Champagne): It being six o'clock, the House stands adjourned until 11 a.m. tomorrow, pursuant to Standing Order 24(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, June 15, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

SUPPLEMENTARY ESTIMATES (A), 1989-90

A message from Her Excellency the Governor General transmitting Supplementary Estimates (A) for the financial year ending March 31, 1990, was presented by the Hon. Robert de Cotret (President of the Treasury Board) and read by Mr. Speaker to the House.

REFERENCE TO STANDING COMMITTEE

Hon. Robert de Cotret (President of the Treasury Board) moves:

That, pursuant to the provisions of Standing Orders 81(5) and 81(6), Supplementary Estimates (A) for the fiscal year ending March 31, 1990, laid upon the table earlier this day, be referred to the Standing Committee on Agriculture.

Mr. Speaker: The House has heard the suggestion of the Hon. President of the Treasury Board. Is it agreed?

Some Hon. Members: Agreed.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

ORDER IN COUNCIL APPOINTMENT

TABLING OF APPOINTMENT AND REFERENCE

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to table in both official languages a nomination which was recently made by the Government pursuant to the provisions of Standing Order 110(2) which is deemed referred to the Standing Committee on Energy, Mines and Resources.

* * *

• (1110)

POINT OF ORDER

CANADA POST ANNUAL REPORT

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

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

Mr. Speaker: The Hon. Member for Churchill on a point of order.

Mr. Rod Murphy (Churchill): Mr. Speaker, I suspect that the Liberals are rising on the same point of order.

We understand that the annual report of Canada Post was supposed to be tabled in the House at this time today. It is the report that indicates that Canada Post made a $96 million profit on the backs of Canadians last year. We were informed it was going to be tabled in the House.

Mr. Lewis: Mr. Speaker—

Mr. Speaker: Before I hear the Hon. Minister I will hear the Hon. Member for Glengarry—Prescott—Russell.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, indeed I am rising on the same point. We had a closed-door briefing at 10 a.m. this morning on the understanding that we would not reveal the information until the document was tabled in the House of Commons at 11 a.m. If in fact the document was tabled in the manner in which we sometimes refer to as the "back door" method, in other words, merely handed to the Clerk, I would like to know why it was under embargo. If it was tabled with the Clerk, when did that occur?

I make that request since as we are speaking the President of Canada Post is holding a press conference across the street in order to make his document public. I want to know, has this document been tabled before the

House. If it has, then, of course, the next question is why were Members not informed.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I appreciate that my friends opposite want to comment on the progress that has been made by Canada Post, the fact that it is no longer a money losing proposition as it was under the previous Liberal administration, and the fact that it is more efficient and more Canadians are getting better service.

Some Hon. Members: Hear, hear!

Mr. Lewis: I do not want to delay that.

My friend referred to a closed-door meeting. Let us not put the connotation of a closed-door meeting on the subject. Hon. Members were given the benefit of a briefing. I would not put that connotation on it. I understand that it is possible to table these documents via the front door, that is, in Parliament, or through the Clerk's office.

Mr. Boudria: Has it been tabled?

Mr. Lewis: I am sure that if it was tabled it was tabled through the Clerk's office, and tabled properly. If my friend has any allegation that it was not tabled properly then—

Mr. Boudria: Was it tabled or not? That is all I want to find out.

Mr. Lewis: I normally do not like to debate this type of procedural motion on an opposition day. I do not want to delay the debate on the very important motion before the House. I think we can deal with it privately, if my friends will give us a minute to check.

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, I have in my hands, for the information of the Government House Leader, the press release that is being issued in the press conference being held in the press theatre right now across the street. It states in the second paragraph that the figure $96 million in profits released in the corporation's 1988-89 annual report were tabled today in the House of Commons.

It is our understanding that those were going to be released today. As such, I want to ask if it is the intention of the Government to ensure that the report is referred to the Standing Committee on Consumer and Corporate Affairs and Government Operations. Whether it is via the back door or the front door we want to ensure that the reference is made to the committee as well as ensuring that the report is tabled here.

Mr. Lewis: The Table is presently checking the timing of the tabling in the official manner. I want to assure my friend that that report will be referred to the appropriate committee. I know my friend will want to bring lots of witnesses to show Canadians why Canada Post is now making money and delivering the mail much more efficiently than it had been under the Liberals.

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I was invited to no briefing this morning. I was not invited to any news conference this morning. However, I am very much interested in seeing this annual report of what some of us believe has become the major corporate vampire in Canada.

Mr. Boudria: Mr. Speaker, I want to return to the issue at hand. With respect, we are not debating the merits of what is in the document. Members of the House have been asked this morning if they were interested in receiving an advance briefing. The condition for that advance briefing was that we were under embargo until the document was tabled in the House.

Unless we can find out if the document has been tabled or not, I would submit that Members are prevented from even commenting on the report on the honour that we gave this morning not to reveal the contents. This is no laughing matter for the Minister of Justice (Mr. Lewis) who should at least know as House Leader what is going on and what document his own Government is tabling.

Right now a press conference is going on across the street. I am expected to comment on that. We can be darn sure that the President of Canada Post is not delaying his press conference while we are here arguing about whether or not the document has been tabled. I am still under embargo. I have given my word of honour. I intend to keep it even if the Government is making it almost impossible for me to do so.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I think what has become clear, as the Government House Leader has indicated, is that the Government wanted to introduce this report via the back door. Obviously, it realized, too, that these profits have been made on the backs of the workers of Canada Post. The Government

wanted to cover up so that we would not get into any discussion in the House of Commons.

The fact that we find out now that it has been tabled via the back door—

Mr. Boudria: Has it?

Mr. Riis: I want to remind Members of the House that today's motion before us has to do with the fishing industry in our country. It is being devastated on both coasts. It is time to get on with the debate, in recognition of the fact that the Government did slip a fast one past us today.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, the question put is a simple one. The Government can table reports by having a Minister stand in his place and do so openly. That is public.

The Government can also table reports through the Clerk. We call it via the "back door". Those are not my words. It is the traditional wording for ministries wanting to table documents. It is done every day via the back door. It is through the Clerk's office and it is without becoming public. I ask the Speaker can you tell us, Sir, whether that document was tabled via the back door today?

Mr. Speaker: I am very cognizant of the importance of the question of the Hon. Member for Ottawa—Vanier and the interventions of Hon. Members. The particular report was brought to the Journal's office some time between 10.30 a.m. and 11 a.m. this morning.

* * *

STRIKING COMMITTEE

NINTH AND TENTH REPORTS OF STANDING COMMITTEE

Mr. Albert Cooper (Peace River): Mr. Speaker, I have the honour to present the ninth and tenth reports of the Striking Committee.

If the House gives its consent I intend to move concurrence in the tenth report later this day. I would ask at that time that we dispense with the reading of that report by the Clerk at the table as the report concerns only membership changes to Standing Committees.

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

STRIKING COMMITTEE—CONCURRENCE IN TENTH REPORT OF STANDING COMMITTEE

Mr. Albert Cooper (Peace River): Mr. Speaker, I would like at this time to move concurrence in the tenth report of the Striking Committee, presented earlier this day.

Mr. Speaker: Does the Hon. Member have the unanimous consent of the House to move this motion?

Some Hon. Members: Agreed.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

• (1120)

PETITIONS

DESIGNATION OF ROUGE RIVER VALLEY

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, within the boundaries of Metro Toronto and the city of Scarborough, Canadians have a rare opportunity for a major environmental issue. That issue is to establish a Rouge River Valley system to be a preserved and protected area for all generations.

The Rouge River is a unique and precious natural area. It has significant archaeological sites within the valley that date back many thousands of years. The whole 5,000 acres of this land is being threatened by the discussions of the Metro Toronto Council of pursuing this as a garbage dump site. It is threatened as well by the Government of the Province of Ontario, who wish to build a major freeway right up through the middle of this particularly beautiful valley.

The constituents of Scarborough Centre, people in Metro Toronto and Canadians right across the country are really outraged with both of these discussions taking place.

They call upon the Government of Canada in the national interest, to join with the mayor of Scarborough, the federal Minister of the Environment for the Government of Canada, and the coalition of Scarborough community associations to have the Rouge River Valley preserved as a Canadian heritage land or a provincial park.

[*Translation*]

VIA RAIL CUT-BACKS

Mr. Charles-Eugène Marin (Gaspé): Mr. Speaker, with the restructuring of VIA Rail and given the location of the riding of Gaspé and the services that it receives from VIA Rail, I have the pleasure and the honour to table, in both official languages, more than 2,500 names asking VIA Rail and the Government to kindly consider the restructuring of VIA Rail, which is an essential service in danger of disappearing from the Gaspé peninsula. We are strongly oppossed to any disappearance of the minimal essential service that we have in the Gaspé.

[*English*]

CLEAN-UP OF OIL SPILLS

Mr. Raymond Skelly (North Island—Powell River): Mr. Speaker, I have the honour to place before the House a petition which has been signed by thousands of Canadians who live on the West Coast, and call on the Government to initiate a full and complete public inquiry into the Government's ability to prevent, contain and clean up oil spills on the West Coast.

I have also had the pleasure, as a representative for the people in these communities, to lay on the desk of the Prime Minister (Mr. Mulroney), 200 letters from individuals, which is part of a massive mail-in campaign to get the Government to initiate this inquiry.

Individuals on the West Coast have not had the moneys which they paid out of their own pockets in assisting in the clean-up reimbursed by the Government of Canada.

It is their intention to sue the Prime Minister, the Minister of Transport (Mr. Bouchard) and the Minister of the Environment (Mr. Bouchard), in order to recover the moneys which they have had to put out on behalf of Canadians.

I lay the first of many petitions dealing with the issue of launching a public inquiry on the coast of British Columbia into the oil spill clean-up.

RESEARCH INTO PREVENTION AND CURE OF SCHIZOPHRENIA

Mr. Brian White (Dauphin—Swan River): Madam Speaker, I am pleased to present a petition this morning from many petitioners from the Province of Manitoba, from communities including Brandon, Dauphin, Swan River and Garland.

The petitioners point out to the House that schizophrenia is a major illness in Canada. They call upon Parliament to ensure that research efforts related to schizophrenia will in the future be commensurate with the seriousness of this illness in Canada.

REMOVAL OF OATS FROM JURISDICTION OF CANADIAN WHEAT BOARD

Mr. Ray Funk (Prince Albert—Churchill River): Madam Speaker, I have the honour to present a petition signed by a large number of residents from communities in northern Saskatchewan, such as Prince Albert, Shellbrook, Meath Park, Spruce Home, Weirdale, Smeaton and others.

These petitioners are asking that Parliament instruct the Government not to remove oats from the marketing jurisdiction of the Canadian Wheat Board and to place oats and barley under the Canadian Wheat Board Act so that in the future Parliament, farmers and their organizations will need to be consulted if any changes are made in the marketing of these products.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Madam Speaker, Question No. 63 will be answered today. I ask that the remaining questions be allowed to stand.

[*Text*]

BUDGET COSTS

Question No.63—**Mr. Boudria:**

Did the government incur any costs in (a) the printing, mailing and distribution of the April 27, 1989 Budget (b) media advertising and promotion of the Budget (c) any media campaign of April 1989 on the deficit and the accumulated debt of the government of Canada and, if so, in total, what were they?

Hon. Michael Wilson (Minister of Finance): The costs were: a) $2.6 million; b) $110,000; c) $2.7 million.

[*English*]

The Acting Speaker (Mrs. Champagne): The question as enumerated by the Hon. Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—WEST COAST SALMON AND HERRING INDUSTRY

Mr. David D. Stupich (Nanaimo—Cowichan) moves:

That this House reaffirms the Government's pledge to the West Coast salmon and herring industry to "not allow jobs, historically established, to be threatened" by any government response to GATT rulings.

Mr. Murphy: On a point of order, Madam Speaker. There have been consultations among the Parties and I think you will find there is unanimous agreement that the Parties may divide their 20-minute and 10-minute question and answer slots. If they so wish, they can divide those slots into two Members speaking for 10 minutes each with a five-minute question and answer session to follow.

The Acting Speaker (Mrs. Champagne): Is there unanimous consent?

Mr. Cooper: Madam Speaker, we on the Government side are happy to co-operate on that.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Winnipeg.

Mr. Axworthy (Winnipeg South Centre): Yes.

The Acting Speaker (Mrs. Champagne): The Chair would appreciate, to help everyone keep the time straight, if the Hon. Member intends to speak only for 10 minutes, the first one in the 20-minute slot would mention it. It would make things easier. I do thank the House for their co-operation. I now recognize the Hon. Member for Nanaimo-Cowichan.

Mr. David D. Stupich (Nanaimo—Cowichan): Madam Speaker, the motion we have moved is one which has the full support of the New Democratic caucus. It is also one which demands the support of everyone in the House.

What we are doing is reaffirming the Government's pledge. We want the House to stand behind the Government so that all Canadians and all of the people directly involved, even internationally, will know how we feel about this resolution which can have ramifications far beyond the people directly involved. It could affect the whole of Canada and could even affect others as well. We welcome, ask and hope for the support of all Members in the House.

The issue arose from the U.S. challenge to GATT of West Coast fishing regulations which required West Coast salmon and herring to be landed in British Columbia to be processed. To be processed means landing, counting, eviscerating and grading. That is what the regulations required. These were challenged by the U.S. before GATT.

We need these regulations in B.C. to protect our market. It is an important market. Eighty per cent of that product is exported from B.C. and from Canada. We get top prices because we have been able to guarantee the quantities we promised. We have been able to guarantee the quality of our product better than any other supplier in the world. We need those regulations to protect our resource.

We are talking about five species of salmon and in excess of 1,200 separate races of salmon. To be able to protect each individual race, we have to protect the environment. When we are talking about the environment, we are talking about drift nets which are operating some thousands of miles out to sea and raiding our salmon resource. We are talking about a point as far distant from that as one in excess of 1,000 miles upstream in some cases, where some of the salmon spawn. All of that environment needs protection because we have to be able to ensure adequate escapement for each of the 1,200 races. We need that to protect the supply for the processors in British Columbia who have some $600 million invested in the processing industry. They have invested that, secure in the knowledge that they had control of the supply. They are constantly upgrading, rebuilding, and carrying on a continuing program of research and development to maintain Canada's standards of quality salmon being shipped to international markets.

• (1130)

We need the supply to protect the livelihood of some 19,500 people in the Province of British Columbia who work in the fishing industry. These are the Minister's own figures. There are some 8,000 shore workers and

11,500 fishermen on gill-netters, seiners, and trollers. We need the supply so that they may catch it and maintain their livelihoods.

On the East Coast there are some 90,000 people working in the fishing industry at all levels. They need the supply on the East Coast just as much as we need it on the West.

We need the employment. We need to add value to what, by international agreement, is a Canadian resource. Everyone has agreed that salmon coming down our rivers going out to sea and coming back, wherever they are in the world, belong to British Columbia if that is where they came from to begin with.

We want to be able to add value to that resource. It is important to the many small coastal communities of British Columbia. It is the life-blood of many of these communities. Without processing, they will simply die. It is important because it provides the only alternative to today's social assistance, yesterday's social welfare or relief. We abandoned those naughty words and now call it social assistance. Whatever it is, it is a totally demeaning existence for thousands of women in particular, especially native women, whose only opportunity to get away from social assistance is to work in the canneries operating on the B.C. coast.

We have discussed the American threat under GATT, and it has been said that the New Democrats are strong supporters of GATT. Indeed we are. We all believe in trade, especially for Canada, since we are a very strong trading nation. We have to believe in trade for the B.C. fish. We export 80 per cent of our fish products, and we do not want to stop that or interfere with it in any way. Indeed, we would like to build on that, to increase it, and to continue to improve the quality of B.C. salmon. However, to abandon recklessly our right to process our own resource would threaten our ability to guarantee the market supply.

We have to know what is happening. We have to be able to count and identify the species. We have to be able to identify and control the races. To guarantee our supply, we have to be able to land those fish, count them, eviscerate them, and grade them. We can only maintain our world-wide reputation for quality if we have total control of the value added factor in Canada.

We have to protect the continued existence of the many races of salmon. It is not enough to protect just one race or even one species. We want to protect all the species and all the races. We can only do that if we know exactly what is being caught, where they are being caught, and when they are being caught. We have to be able to ensure that there is sufficient escapement of each race so that the race will survive. We want to maintain employment opportunities in Canada for the over 100,000 Canadian workers on both coasts who work in the fish processing industry.

We were told that the GATT decision cannot be appealed and we agree with that. However, we could have rejected it, as has been the practice of the United States and other signatories to GATT on many occasions. We had that option but chose not to use it.

The new regulations, relatively useless as they may be, are supposed to be GATT consistent. Why did we bow so subserviently to the American Government in abandoning our opportunity through GATT to reject that decision? Why did we not ask for a GATT ruling on the new regulations if we were determined to go that route? Why did we go instead to the Free Trade Council? If we are sure that they are GATT consistent, why not go to GATT to ask the question; why go to the Free Trade Council? Are we in danger of setting a precedent?

By knuckling under so early to the Americans, are we jeopardizing other measures such as Newfoundland's regulations that prohibit the trucking of groundfish out of Canada, similar regulations in New Brunswick and Quebec, Ontario legislation that provides for the further processing of minerals in the Province of Ontario before export, B.C. legislation that provides for the further manufacture of B.C. logs before they may be shipped out? How about the United States itself? The American Magnuson Act provides for the processing of American fish before it may be shipped out.

We have no desire to enter into any kind of a war, trade or otherwise with the United States, our best trading partner. However, continued good relations depend upon fair treatment on both sides. We are their nearest, largest, and most politically stable supplier of

raw and partially processed raw material. We want to maintain that relationship.

We have shown our good faith by entering into the Free Trade Agreement which, among other things, provides for Canada to ensure the American energy supply by promising to invest billions of dollars in developing our oil supply for the continuing benefit of our neighbours to the south. Consistent with GATT, we could have imposed an export tax, but we gave it up under the free trade deal. We control the export of and imposed a tax on the shake and shingle industry in British Columbia because it was interfering with shake and shingle production in the United States. We co-operated with the Americans and have done many things to co-operate with them. There would be no advantage to us or to them if we were to issue threats or counter-threats. Neither would there by any advantage to Canada or to the United States if we, with wanton abandonment, gave up control of our resources, most especially our renewable resources.

This is an important issue in British Columbia today. It can be an important issue for the Maritimes tomorrow and for Ontario's mining industry the day after. If we lose on this issue there will be nothing much left for Canadians other than to be hewers of wood, drawers of water, and miners of minerals. Even the oceans will be open to anyone.

This is an important issue. We should have taken a firm stand, and the opportunity still exists to do so. I invite Hon. Members to support actions taken by the Government to ensure that we do not lose out on this issue. We must not lose out because this is just the first step on the road to being nothing but hewers of wood, drawers of water, and fishermen for the world to exploit.

• (1140)

This is an important issue. We welcome the support of the whole House and hope that it will support the Government in its actions to ensure that we do not lose on this issue.

Mr. Riis: Madam Speaker, what we are discussing this morning is a two-pronged question. First, does the Minister stand by his promise that he made to the west coast fishing industry when he said that, as the motion indicates, this Government would "not allow jobs, historically established, to be threatened"?

Over the years on the West Coast we have seen processing plants fall by the wayside as the industry has been rationalized, to the extent that now the processing of the fish resource is focused in just exclusive centres. The Government has said that there is no requirement to process fish in these plants but that they can be transferred elsewhere for processing.

Having made that decision, why would anyone carry on processing in Canada when one can move those processing plants to the United States where labour costs are significantly less, where the rules and regulations are less stringent, and where one would have the advantages of economies of scale to make the plants more efficient? Why would a single processing plant remain in Canada, make it impossible for the Minister to keep his promise, and see the disappearance of literally thousands of jobs on the West Coast? Would the Hon. Member respond to that question? How can we save this industry unless this Government changes its position and keeps it promise?

Mr. Stupich: Madam Speaker, the B.C. salmon processing industry has a world-wide reputation for quality. Our price is high, but the world is prepared to pay that price because it knows the quality of our product. There has never been any problem with that. We have a reputation for being able to meet our market promises. If we promise to deliver a certain quantity of canned salmon or fishery products generally from British Columbia, we deliver them. We guarantee the quality and there has never been any question about that.

There is continuing upgrading in our canneries. A lot of money is being spent annually to make sure that we deliver a premium product because we know we are in competition with other countries that are shipping salmon. We have proven we can do it in British Columbia, and it can be GATT consistent. What we are doing is making sure that when the product leaves our shores it is ready for human consumption in the best condition possible in the light of the most modern technology, the most modern equipment, and the best workers in the world.

Mr. Skelly (North Island—Powell River): Madam Speaker, a year ago April in a committee of this House a representative of the fish processors of British Columbia, Mr. Bob Hunter, speaking on behalf of the Fisheries Council and Processors, said that if the Government permitted the loss of Canadian fish to the United States in an unprocessed form, which is exactly what the Minister and the Government are proposing, the processors would move their plants to the United States. He

said that they would be crazy to leave them in Canada because wages are lower and economies of scale can be achieved in the United States. He made an emphatic statement.

Therefore, this Minister when he speaks in the House today should stand up in his place and explain to Canadians how he is going to turn around the emphatic statement of Mr. Hunter before a committee of the House who said that if the Government permitted the Americans open access to our fish, those jobs and factories would be moved to the United States. I would like to hear the comment of our critic on this matter.

Mr. Stupich: British Columbia salmon has had an international reputation for quality for years, indeed decades, Madam Speaker. It has always been important for us to maintain that reputation in world matters.If we are going to keep them, we can only do that if we have control and a guaranteed supply to the canneries operating in B.C. If the barriers are down, some of those canneries are going to move to the United States and process the product there. They will not produce as good a product because they will not have to, but it is going to make our product that much more difficult to sell on world markets.

Mr. Reid: Madam Speaker, I have a question for the Hon. Member for Nanaimo—Cowichan. The Member has said that we should protect all our species and not just some. Therefore, is he advocating that all species of fish on the West Coast be landed on the West Coast, that we should have regulations or laws that demand that everything caught by Canadian fishermen be landed in this country first?

Mr. Stupich: Madam Speaker, it does not give us complete control even if we could achieve it because some of the salmon are caught by Americans and in accordance with agreements. That is exactly what we want.

As I said, there are some 1,200 runs of salmon and five different species. To be able to police them, to know what is happening, to be able to perpetuate not just the five races but as many species and runs as possible, we have to know what is happening. The only way we can truly know what is happening is when those salmon are landed in the Province of British Columbia.

The Acting Speaker (Mrs. Champagne): I see someone rising. I made a mistake before and recognized the Hon. Member when he was not in his seat. I will try not to make the same mistake twice. The Hon. Member for North Island—Powell River.

Mr. Skelly (North Island—Powell River): Madam Speaker, I wonder if the Hon. Member for Nanaimo—Cowichan would answer a question as well.

This is such a blatant sell-out of Canadian resources. Most of the people in British Columbia believe that this sell-out was a trade off for a benefit elsewhere in Canada. They believe that this is the second sell-out of Canadians on the West Coast, the first time being the salmon and interception agreement. It is firmly believed that we were sold out on that issue in order that the Prime Minister would have something to throw away to President Reagan at the Quebec conference.

The magnitude of this particular sell-out is so horrendous. Would the Hon. Member speculate on what was traded off, what this industry was thrown away for? It is clear that it in fact was thrown away. Maybe the Minister of Fisheries and Oceans would be prepared to stand up in the House and explain why this was so blatantly thrown away.

I would like to have the Member for Nanaimo—Cowichan speculate on what this was thrown away for. It is the second throwaway that British Columbians have gone through in this particular industry.

Mr. Stupich: Madam Speaker, I was hoping the Minister would comment as well. I would like to hear his remarks.

• (1150)

Could I just say that in this statement I am congratulating the Government for having taken a strong stand. I am saying that we want to keep that up. I am saying that we want to be able to control our resource in British Columbia in this case and in Canada as a whole with respect to the others. We want to achieve that, and we are standing with and urging the Government to support the motion that has been moved today.

For the moment, unless there is evidence that the Government is not supporting it, I would rather not go along the track of my colleague and hope that the Government will support the position we are establishing today.

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Madam Speaker, I am delighted to have an opportunity to take part in this very important debate which is being watched by many Canadians, especially British Columbians. I understand that some British Columbians are in this House today to witness this important discussion.

The motion calls upon the House to reaffirm the Government's pledge to the west coast salmon and herring industry to "not allow jobs, historically established, to be threatened" by any government response to GATT rulings.

What underlies the motion from the perspective of the New Democratic Party which has sponsored it is the suggestion that if only we could live in the old days of protectionism and keep export restrictions in place which guarantee a non-competitive fish processing industry, we could somehow guarantee jobs of the past in perpetuity into the future.

Recent history has shown that the New Democratic Party is usually wrong on these questions. I remember very well the Hon. Leader of the New Democratic Party standing in this House in November 1984. In decrying the economic statement of the Minister of Finance which set out the economic agenda of the Government for the past five years, the Leader of the New Democratic Party alleged that Canada would lose 150,000 jobs as a result of the initiatives which were taken and introduced at that time.

The people of Canada know better and they judged better on November 21, 1988. The NDP is using the same fear-mongering tactics in this House today and is trying to frighten people. The only way its Members can gain political support is by frightening people about the alternatives.

Instead of 150,000 jobs being destroyed, as they put it, 1.5 million jobs were created as a result of the economic initiatives of this Government. The national unemployment rate dropped from over 12 per cent to less than 8 per cent. There were major reductions, approximately a one-third reduction, in every province and in most industries in Canada.

Hon. Members of the New Democratic Party do not want to hear the truth. The truth is that the fishing industry of Canada, during the four years that I have presided over it, has seen untold prosperity, unparalleled in Canadian history. The income, the amount of employment, the emphasis on quality, and the value added processing opportunity have increased because we have an increasingly competitive fishing industry.

I picked up a brochure put out by the fishermen's union. I wish it were as true as it appears to be to the innocent reader. However, there is a statement in this brochure that says "the rescinding of these export restrictions," which I will come to in a moment, "is a complete betrayal of a competitive Canadian industry". It goes on to state: "Why does the Government refuse to protect an industry?"

Any thinking person knows that we cannot have a competitive industry if we always attempt to protect it from the realities of the world market-place. The reality of the fishing industry is that Canada exports 80 per cent of our products. In terms of the Atlantic industry, which is a large part of it, two-thirds of our exports go to the United States market. In the case of the Pacific industry, a large proportion goes to Japan and the European Community.

The point is that we depend on access to those export markets to guarantee the jobs that employ our fish plant workers and our fishermen. If we are not competitive in the international market-place, we will not sell fish and the industries of Atlantic and Pacific Canada will not pay wages.

Indeed, the Government is dedicated to preserving and enhancing the opportunities for employment and the quality of employment in the Canadian fishing industry. That will not be done if we cut ourselves off from access to a market, 80 per cent of it being an export market, which ensures employment for our people.

That means we cannot have it both ways. We have to sell competitively into the market-place the highest quality product of any country in the world. That means customers have to feel that they get the best value for their money when they buy Canadian. That has increasingly been the case.

We should understand the nature of world trade and the liberalization of world trade to which Canada is committed. Members of all Parties are also committed, I presume, because they prescribe to the process of the General Agreement on Tariffs and Trade in which Canada has been a participant for 40 years. Any country that is as export dependent as Canada knows that we cannot put up protectionist barriers to protect our industries, thereby ensuring they will be higher cost

industries, lower volume industries, less competitive industries, and still expect to have the free opportunity to export our products into other world markets. In other words, we have to play by the international rules of trade.

It is a fact of life that some years ago previous Canadian Governments decided to protect our salmon and herring processing industries by erecting export prohibitions on unprocessed sockeye and pink salmon and herring unless the roe was extracted in Canada. These were very important regulations at that time which helped the Canadian industry to become competitive. That competitiveness now does not depend in perpetuity on maintaining those protectionist barriers because these industries have grown up. They are big boys and girls now. We can compete. We do supply the best fish products available from our west coast fishery in those markets.

If this Government and this Minister did not believe that, we would not be devoting tens of millions of dollars to enhancing our salmon stocks on the West Coast. I would not have gone to Cabinet and worked to gain an increase in the budget of the Salmonid Enhancement Program of $208 million over five years with a firm commitment of that funding into our *a* base on into the next century, if I did not have confidence and faith in our ability to get maximum economic advantage out of the salmon producing and processing industry.

As I said earlier, the record of the last four years shows it is paying dividends. We have had the most prosperous years. Again this year we are to have a record year in terms of the runs of pink and sockeye. As I announced only yesterday in Vancouver, we will expect to have over 17 million pink and sockeye salmon caught this year. They will be processed in British Columbia. I am confident of that.

It is a fact of life that when fish are caught and landed close to the point where they are caught where there is infrastructure, in which there is a significant investment, which is modern, and which is the most competitive in the world, it would make no sense to truck it 600 miles to somewhere else. If we process it at that plant, we get the highest quality product. It will be Canadian Grade A prime product whether canned, frozen, or whatever form, and we will get the best dollar from that product by processing in Canada.

These old regulations were found to be offensive because Canada, and in particular some processing companies on the northwest British Columbian coast, wanted to have their cake and eat it too. They wanted to go to Alaska and buy fish. This would not just be in surplus years, but in other years when the Alaskan processors did not have an adequate supply. They wanted to buy that fish by offering a higher price to Alaskan fishermen than the Alaskan processors were able to offer. Our processors in northwestern British Columbia want to go to United States waters and buy from their fishermen but in return say to the Alaskan processors that they cannot come into Canada and buy fish from our fishermen. That is clearly discriminatory and was found to be so by a panel of the General Agreement on Tariffs and Trade. If we want to export our products internationally, Canada has to play by the rules on a level playing field, and we were caught out in that case.

• (1200)

I could submit that the Americans would not have taken that case to the General Agreements on Tariffs and Trade had the Free Trade Agreement been in place, because we would then have had an avenue to negotiate a solution to that problem which we did not have then. We now have a mechanism to resolve such future disputes.

Mr. Skelly (North Island—Powell River): The resolution is delivery direct to the United States.

Mr. Siddon: I want to point out to the House that whether we are talking about salmon, herring, codfish or other species, Canada is not God's gift to the world. We are only a small producer.

Mr. Rompkey: It's the biggest exporter in the world.

Mr. Siddon: We take great pride in our salmon and herring stocks, but the fact is that we produce only 20 per cent of the world's supply of salmon and herring. That is an important point those nervous Nellies over there fail to acknowledge. Any country that wanted to buy raw fish and take it home and process it—it would be rather silly to truck it on ice for hundreds of miles—could buy five fish out of every six from somewhere else. For example, they could buy it from Alaska, from Norway, or from Iceland. They could buy herring from Atlantic Canada or

from the Nordic countries. In other words, there is ample choice in terms of supply of raw fish. Americans processors have access to five times as many American codfish and salmon as they do Canadian cod. Why would they all of a sudden come and buy fish from Canada rather than buy from their own fishermen?

One reason would be if our fishermen would sell it more cheaply. But why would our fishermen sell it more cheaply to Americans if they were getting a decent price from Canadian processors? This is a question that the New Democratic Party fails to address. By these export restrictions, our fishermen are held captive to the Canadian processing industry, and that is unfair to our fishermen. Now they fall silent because they know that the fishermen's union is split on this issue. Fishermen want and are entitled to the best price for their fish while we carefully manage, licence and allocate quotas to their benefit.

Now let us ask Members of the New Democratic Party what their position is. Should our fishermen not get a world competitive price for their fish? Why is it that the processing companies do not have to pay a competitive price? Because they have the supply guaranteed by those old export restrictions.

The point is that countries that would buy our raw fish have many other ways to buy fish. The only way they buy Canadian is if they can get it cheaper. Why would Canadian fishermen sell it more cheaply abroad if they can get the right price from Canadian processors? That represents the heart of the injustice that will be rectified by the new regulations. These will ensure that we maintain control of our herring and salmon for management and conservation reasons. Under the new regulations all West Coast species, all five species of salmon, must be landed in Canadian ports, inspected, counted, and biological samples taken, before anyone can buy this resource of Canada.

Mr. Skelly (North Island—Powell River): Is that what the free trade panel said?

Mr. Siddon: Let us not jump ahead. I will come to that in a moment. The point is that all five species will be brought to shore.

I was interested a few moments ago when the Hon. Member for St. John's East (Mr. Reid) asked the lead speaker whether he supported this regulation. All Canadians should support such a landing requirement, including the processing sector, the fishermen's union and those organizations, and the New Democratic Party. I would like to know if Members of the New Democratic Party feel that groundfish, rockfish and other species should be required to be landed in Canadian ports. We believe this to be our right under Article 11 of the GATT and will be testing this shortly before a free trade panel.

If those Members are so immature as to suggest that we should not control our resource and manage it well by requiring it to be brought to Canadian ports, they should rise and state that they support those measures. They are attempting to say that the Government is going to relinquish control over our fishery. That is pure balderdash.

I have insisted during the whole period of the trade negotiations with the United States, that only Canadians shall be licensed to harvest fish in Canadian waters. We have steadfastly refused to allow American processing boats, buying boats or packers, if one wishes to call them that, to come into Canadian waters and take fish from our fishermen. This Government is adding to that assurance that we properly manage and conserve our resource by requiring it be brought to Canadian ports. To hear members of the Opposition, one would think they oppose that. Where is their sense of national patriotism?

The Government has done the correct thing in this matter by ensuring that Canadians receive the benefit of that resource at their point of landing where any self-respecting industry which intends to be competitive in the world market-place will have the best opportunity to process it right there. Not only to gut the fish. Members opposite want to have the guts taken out and then ship the fish away. We want them processed. We do not only want them to be stuffed into cans. We want our fish products put into TV dinners and higher value-added products such as fish cakes and restaurant meals. We want to get the maximum dollar value from our fishery resource. That adds up to employment for processing workers and for fishermen. It means they will get the best dollar for their product.

Canada cannot hide behind archaic protectionist regulations which shelter our workers from the realities of the world industrial commodity trading market.

When this Government took office Canada was eleventh among industrial nations. We were down at number eleven in terms of our competitiveness. I suspect when we see some figures soon, we will see that Canada is near the top. That is because this Government has rejuvenated Canadian industry in all sectors and expanding opportunity to add value to our natural resources.

That is why the Free Trade Agreement is so good for Canada and for the fishing industry. It removes the tariffs upon entry into the United States market which the Americans were applying to our salmon, herring, lobster and other fish products. With the removal of those tariffs, the price to the consumer in the United States goes down and we sell more, and we sell more value-added product, not more raw material.

I submit that members of the Opposition are way off base as usual. They were wrong in 1984. The Canadian people judged them wrong in 1988 in an election, and they will do so again in 1992 or 1993 because this Government has Canada on the rails to prosperity and we will stay there. We do not need pessimistic doom and gloom when Canadians are confident and optimistic about their future and the opportunities we can give to our nation.

Mr. Stupich: I cannot help but regret the attitude of the Minister. The motion I moved states:

> That this House reaffirms the government's pledge to the West Coast salmon and herring industry to "not allow jobs, historically established, to be threatened" by any government response to GATT rulings."

I had hoped that the Government would agree with that, but it seems that the Government does not. The Minister in his response said that we are No. 11 in terms of competitive pricing. We are No. 11, and yet we never have had any problem selling our product at premium prices because we deliver the top product in the world. Why would people buy Canadian fish if they can get their own more cheaply? Because they know historically they have been getting a guaranteed and a superior product when they buy Canadian fish at top prices. We have never had any problem selling our Canadian fish.

• (1210)

Groundfish today are being trucked from Prince Rupert to the United States. Fish can be moved and are being moved. If you are prepared to sell without the restrictions, without the quality guarantees, without the quality reputation that we have for our fish products in British Columbia, then you can sell more cheaply if you do not really care what kind of garbage you are selling. I cannot say that much about the East Coast because I do not know it that well. But West Coast fishermen and the industry have built a world-wide reputation over decades for selling a guaranteed top quality product and for meeting the demands of the market. That has been our reputation, Madam Speaker.

Mr. Siddon: Madam Speaker, I certainly agree with the Hon. Member. That is why our Canadian fish products sell and why we never have anything left over going to waste. It is top quality product priced competitively. That is the way it will continue to be. With or without this regulation, that is the reality. Our industries have invested in the most modern technology. They have upgraded their plants.

If the Hon. Member is saying that the only way the industry can make a big enough profit is to pay the fishermen too low a price, we do not want that. We are on the side of the fishermen and the plant workers. It is about time the NDP were, too. If what they are doing is siding with the processing industry and saying the only way that industry can make a profit is to keep paying workers too little, we do not agree with that.

I do not agree with the mischievousness of this motion. I am confident that the public will judge this Government as having created economic growth, new jobs and a more competitive economy in this country. That certainly has been true of the fishing industry these past four years.

Never has so much income been enjoyed, so much value added, so much use made of under-utilized species as has been the case under this Government. While I may not agree with the mischievous language of the motion which tries to protect archaic jobs in the form that was appropriate 20, 30 or 40 years ago, I can say with confidence to this House that there will be more employment, more rewarding and year-round jobs, not jobs that put people on unemployment insurance for six months of the year. This is a result of the competitive drive of this

Government to extract more value from our natural resources, to modernize our industry and to export more product.

The Hon. Member said our fishing industry has produced the best quality product. It is bought because of its high quality. It is not bought because of the protectionist regulation that was removed. We will have an opportunity to do more of that processing when all the fish is brought to shore.

The Hon. Member has not told me why they would support the old regulations which did not require that coho, chinook or chum salmon be brought to shore. They do not want that fish protected. We are bringing that fish to shore under this regulation. Those fish have been exported in uneviscerated form—guts in, if you like—for years with the support of the New Democratic Party.

We want that fish to be brought to shore so that we get first opportunity to process it, put it in its highest most value-added form; not just sockeye and pink, but chum and coho and chinook. If they want to throw in groundfish, I would like them to stand up and say that we want groundfish restricted to being landed at Canadian ports. I would like to hear that. I would like to know how some of their supporters who are crewmen on the trollers would feel about that. I am prepared to listen because I think it makes good sense. But I want to hear the NDP propose it in this House.

Mr. Walker: Madam Speaker, listening to the Minister give his response reminds me of an age-old struggle that has taken place between the Conservatives and the NDP which constantly misses the futures of people whose jobs are at stake.

The Government prides itself on giving millions of dollars to native organizations, for example, to build up an economy. This is an industry in which native people are involved, struggling and working hard and the Government pulls out from underneath them the very support structures they need to build up an independent life.

I would like to ask the Minister how he reconciles the fact that on the one hand the Government is saying that it supports native people and new Canadians, and on the other hand in an industry where they can get themselves set up in and involved with, and the Government pulls the rug out from underneath them and leaves them exposed to the international market-place in a way that is very hostile and alienating to them.

Mr. Siddon: Madam Speaker, I appreciate the question. The Member who raises it was not listening to the basis on which I justified what the Government is doing as a means of creating more employment for native people, for new Canadians, for Canadians of all ages and all skills. That is exactly what this does. It is not just my opinion. I notice the Member for Winnipeg North Centre (Mr. Walker) is not listening and preparing. He should pay great heed of the words of a very prominent West Coast Liberal, Dr. Peter Pearse of the University of British Columbia who wrote an important report for Mr. LeBlanc when he was Minister of Fisheries. This is what Dr. Peter Pearse said in his report about these archaic support restrictions:

> Although pressure from established processors and plant workers to restrict exports of less highly processed products is understandable, to do so is inconsistent with fishermen's interest in high prices and with the public interest in generating the highest returns from the resources.

These are the words of a prominent Liberal, Dr. Peter Pearse. I am sorry that he was not elected to this House on past occasions as he once tried to be because he has got it the right way. He is saying exactly the same thing that I have been saying in this House this morning.

Mr. Reid: Madam Speaker, one of the things that strikes me in this debate is the implication of our New Democratic friends across the way that this Government has turned its back on the British Columbia fishery, particularly the British Columbia salmon fishery. As the Minister has said, unfortunately only briefly, that clearly is not the case. The evidence is totally contrary to that. This Government, in particular the Minister, has made great strides in terms of policy, programming and funding for a variety of different things that have been designed not only to protect the fishery and all those who work in it, but to enhance that fishery.

I wonder if the Minister might take a moment to expand a little on that. He alluded to the salmon enhancement plan and some other things that have been so successful. Would he reaffirm his commitment and the Government's commitment to the British Columbia fishery?

Mr. Siddon: I do appreciate that unexpected question from my colleague, Madam Speaker. I did mention that I worked as a Member of the Cabinet to secure recognition, reinforced again last week by the Prime Minister while speaking in Vancouver, of the importance of the Pacific Coast salmon fishery the result of which was the conclusion of the Pacific Salmon Treaty. Our friend, the Speaker, was the Minister of Fisheries at the time and presided over the successful conclusion of that treaty which recognized Canada's sovereign ownership of fish that are spawned in our waters. It is clearly written into a bilateral treaty with the United States that we will achieve the benefit of the fish which belong to us.

We have increased the funding for the salmon enhancement program by doubling it and adding $206 million a year. We are funding all kinds of projects in classrooms with native groups, with fishermen's organizations, with concerned community groups to help to build small incubation boxes and hatcheries, to improve the habitat and clean up the spawning capacity of our rivers and lakes. The Government and I particularly take pride in that. If we did not have confidence in the future of the Pacific Coast fishing industry, we would not have spent tens of millions of dollars fixing up our ports and harbours.

I went to Cabinet, with the support of my colleagues, and obtained $200 million of new funding for our small craft harbours. We increased, in a time of restraint, the budget for small craft harbours by some 44 per cent for the annual operation. The Hon. Members opposite have benefited by those improvements to harbours in their ridings which amount to hundreds of thousands of dollars in new multi-million dollar harbour facilities. Why would the Government make those our priorities if it did not have confidence in the future of the West Coast fishing industry? Why would we have engaged and why did I secure the support of all provincial Ministers of Fisheries for the negotiation of a Free Trade Agreement with the United States? Yes, indeed, it is in the communiqué to First Ministers of 1986 that all Ministers of Fisheries agreed that free trade would be good for the fishery. Indeed it shall be.

• (1220)

Mr. Simmons: Those people up there in the gallery are laughing at you.

Mr. Siddon: I know you want me to take my seat, so I shall, Madam Speaker.

The Acting Speaker (Mrs. Champagne): The period for questions and comments has now expired.

Mr. Skelly (North Island—Powell River): Madam Speaker, I rise on a point of order. This question is so vitally important to the people of British Columbia, I wonder if Your Honour might put to the House a proposal to allow the Minister's period for questions and comments to be extended since only two or three very short questions have been asked. I am sure that the House would agree to that.

Mr. Simmons: May I speak to that, Madam Speaker?

I say to my friend in the NDP that, normally, his would be a great proposal. Normally, we would be prepared to entertain it. In this case, this Minister has demonstrated in the time he has had available to him that he does not know his file. He does not know the issue. I will not be a party to allowing the ignorance to be further paraded.

The Acting Speaker (Mrs. Champagne): For the Chair to entertain the suggestion of the Hon. Member for North Island—Powell River I would need unanimous consent. I think that the last remark means that I do not have that unanimous consent.

Resuming debate with the Hon. Member for Winnipeg South Centre.

Hon. Lloyd Axworthy (Winnipeg South Centre): Madam Speaker, before making my own comments I first want to express the regrets of the Member of Parliament for Vancouver Quadra (Mr. Turner) who has for several years had a very strong concern about this issue. Unfortunately, for personal family reasons, he must be in Winnipeg today. I hope the House understands that his absence is one that he regrets. However, he had no choice but to attend to a family matter. I want to express my regrets to the House on his behalf.

In saying that, in some ways I am glad that he is not here. Having listened to 30 minutes of drivel from the Minister of Fisheries (Mr. Siddon) would probably be more than any strong stomach could stand so close to the lunch hour.

Over the last two or three days many Members of Parliament have had an important experience. We have sat down and met with the workers in the West Coast fishing industry. We have talked to them about the concerns they have raised over a barbeque or over a table. What has been interesting is that people have come to the capital of the country with a simple request. They came to the Government to ask to be listened to

on a simple question. It is this. Why are they losing their jobs? Why are hard-working people who have spent years developing an effective and good industry on the West Coast, through no responsibility of their own suddenly threatened with the loss of their livelihood? It is a simple question. However, they have been unable to get answers from the Government.

We have listened to the Minister of Fisheries (Mr. Siddon) ramble on about all the great advantages of competitiveness and how we will make the fishing industry of Canada into a world class premium opportunity. However, he never answered the simple question as to why these people are going to lose their jobs. Why are they faced with a situation not of their own making but based upon a decision of this Government? That is the issue.

Neither the Minister nor his colleague, the Minister for International Trade (Mr. Crosbie), have explained why it is that it is a government decision that has put these people into this threat, that has put them into this problem. Perhaps more tragically not once have we heard from any Member on the other side what the Government is prepared to do about it. Is it really prepared to listen to these people? Is it prepared to understand the nature of the problem? From the Minister's reply today there is little hope being offered.

What is tragic is that we have a Minister of Fisheries who has the gall, the ultimate and incredible effrontery to stand up in this House and say: "The fishing industry has never had it so good". I ask him to tell the thousands of fish workers from the East Coast who have been laid off in the last month that they have never had it so good.

Some Hon. Members: Hear, hear!

Mr. Axworthy (Winnipeg South Centre): I ask the Minister to tell it to the fishermen who have had their stocks and quotas cut back by 50 per cent because of the Government's mismanagement.

This is the Minister of Fisheries talking, and not the Prime Minister (Mr. Mulroney) who we are accustomed to hearing make those kinds of exaggerated claims. This is the Minister supposedly responsible for the stewardship of that industry. What kind of time capsule, what kind of insulation chamber is the Minister living in? What kind of warp has he found himself involved in so that he does not understand that the fishing industry of Canada is in peril on both coasts, that it has real problems and that the workers are asking somebody in the Government to listen to them and to respond to their needs?

That is the point of this debate. I find in part that the arguments made by our friends in the NDP are a little unusual, somewhat strange, since they are saying: "We want to support the Government in its strong stand on this issue". It has not taken a strong stand on behalf of the fishing industry of the West Coast. It has been a consistent history of sell-out right from the very beginning. Right from the beginning it has taken a stand to sell out this industry with the most blatant, callous forethought.

The Government has had its public relations people working. They have churned out the press releases. The fact of the matter is it has not defended this industry.

Let me give you a little history, Madam Speaker. The great crown prince of blather, otherwise known as the Minister for International Trade, gets up to say with his hand over his heart: "The devil made me do it. It is a GATT decision. What have I to do about it?" He shrugs and sighs and moans and says: "I had no responsibility. It is the GATT that made me do it".

Madam Speaker, I will tell you what the real history is. In 1986 the Americans started complaining about this problem. At that time we were already engaged in negotiations with the Americans on the free trade deal. Things were put on the table and things were taken off. The Americans took things off the table. They said: "We are not going to talk about the Jones Act protecting the shipping industry. We are not going to talk about the Magnuson Act concerning the fish processing industry". They took those off the table. Did our Government take the West Coast fish processing industry off the table? Darn right it did not. It put it on the table. It was a bargaining chip.

When the Member from Nanaimo says that we should support the Government's strong effective stand I say that back in 1986 during that negotiation the Government had every opportunity to say to the Americans: "This is a non-negotiable item. We have the right to protect the processing of our own natural resources and we will not bargain it away". However, the Government put it on the table as part of the deal. Yet Members of the Government stand up to say that the GATT made them do it. They had two years of negotiation in which to protect the West Coast fish processing industry, and they did not take the opportunity to do it. It was there. There were certainly enough examples of things that were

moved off from one side to the other and nobody dealt with it.

Then we come to the GATT panel. Again, the Minister for International Trade and his sub-junior colleague, the Minister of Fisheries, says: "I had nothing to do about it. I am sorry, it is the GATT panel". However, what they do not tell Canadians, which is part of the big lie, part of the big propaganda machine that keeps going on, is that under the GATT rules it is perfectly permissible to use an export tax to protect any processing in one's own country. The GATT has allowed it with us in the past, as well as other countries. It is perfectly legitimate to use an export tax to say that raw fish leaving Canada should be subject to a higher tax.

• (1230)

Guess what was given away in Section 408 of the Free Trade Agreement? What was given away was the right of Canada to impose an export tax. The legitimate remedy which we had as Canadians to protect our natural resources and to protect our fish to ensure that it would be processed in Canada was given away under the Free Trade Agreement.

How does the Government defend that? When the Minister of International Trade and his colleagues stand up and say "the GATT made me do it", they should add the real bottom line that the GATT also offered a solution which they threw away, bargained away, and sold away. For what? I will not go into the history of what we did not get in return, but the fact of the matter is that the remedy was at hand. The remedy could be used today to protect the west coast fishing industry, but it has disappeared from our arsenal of public tools.

I would hope that the people of British Columbia, in fact all Canadians, would recognize just what a bad bargain was struck when they gave away the sovereign right of a Canadian Government to protect its own industry and its own people, for merely a song and a dance.

An Hon. Member: We get a song or a dance.

Mr. Axworthy (Winnipeg South Centre): We did get a song and a dance. We got *Yankee Doodle Dandy*, and the Prime Minister was up in his Gucci shoes doing a dance the whole time. That is what we got.

I cannot see the Minister here any more, but he might be around in the vicinity. I want to talk about his argument that somehow this regulation he has brought forward is a great advantage to the fishing industry on the West Coast. It is going to come as a surprise to the fisheries council, the unions, the processing people, and all the rest of the industry. I want to remind Members of the House that this is a Government which states that it listens to the industry. It states that it consults with Canadians. Why is it that all the major players, the owners, the unions, the workers, and the processing plants universally say that this is a bad deal?

Maybe the Government does not listen to the people. We know that from the past. Maybe the Government might listen to its own officials. The thing that the Minister of Fisheries and Oceans did not talk about was a report prepared by his own Department, the Department for which he is responsible. It stated that the export of large quantities of unprocessed fish is possible, reducing the supply of raw material for B.C. processors and causing an impact on unemployment. That report was prepared by Tom Rideout, Fisheries and Oceans International Directorate.

Does that mean that once again we have a Minister who cannot read? Has he picked up the bad habits of the Minister of Trade? Does he not read his own documents? Has he forgotten that illiteracy is one of the primary criteria for being a Minister of the Crown? In his own Department officials say that this particular regulation will provide for the removal of large quantities of raw fish and the loss of employment.

Why does the Government not listen? If it will not listen to the fishermen, the fish processors, the businesses, or members of the Opposition, why does it not listen to its own officials and read its own reports? We

know it will not because this has nothing to do with hard analysis. This has got to do with simply knuckling under, being afraid, and bargaining on our knees with the neighbours of the south. That is what it is all about. That is what the issue is about. It is simply craven politics at stake here.

The Minister of Fisheries went on to state: "Well, I expect our people to be so competitive." He was talking as if there was a level field out there. The people who came to visit us passed on some interesting communications members of their own processing plants are receiving.

I have a letter from the Economic Development Association of Skagit County, down there in the great State of Washington, which is providing a sales pitch to processing plants in Canada to move south of the border because they can pay lower wages and do not have to pay the same rate of unemployment insurance or the same rate of health benefits. In other words, it is what we have been arguing in this House for three and a half years. It is not a level field. It is a biased, distorted, bevelled field. It is in fact coming to bear—and it is the truth—in the fish processing industry. We now have enticements and inducements being offered by the economic development organizations in the United States stating that they can give us a good deal.

It is like those guys with the old, dirty postcards in Paris. They say: "Come on down here, we are going to give you a good deal. You do not have to pay your workers the same wages." If that is what the Minister of Fisheries means by competition, that we are going to expect our workers to take less money and have less benefits, then that totally contradicts the great promises of the Prime Minister who stated that this deal was going to open up an economic bonanza for Canada.

The hard truth and reality is that this deal says that the only way we will expect Canadians to compete is if they are prepared to accept a lower standard of quality of wages, a lower standard of quality of working conditions, a lower standard of quality of support for their families and their communities. It expects that we will reduce ourselves and harmonize downwards, that that is the basis for competition. Of course it fits its agenda, the agenda of the Conservative Party. That Party does not like unions very much.

Its Members do not like occupational standards. They do not like unemployment insurance. They do not like the kind of structures we have built up in this country over the years to ensure that we have a decent workplace and that workers, particularly those in seasonal work and particularly in the resource industries, have a safety net to live on. That is not free enterprise, according to their version. That is not the market-place. I will tell you, Madam Speaker, that it is the Canadian way of doing things.

That is why the example of fish processing industry on the West Coast is so important. I agree that it should tell us is something about the fish industry in the rest of Canada as well.

I will not take a long time, because I have learned colleagues who are directly experienced in the east coast fisheries. However, I just want to remind you of one thing, Madam Speaker. If this sticks, if the Americans make their case and this regulation is allowed to stand, if we do not get up and fight as Canadians, then what is happening in the west coast fisheries is simply a prelude to what is going to happen in the east coast fisheries. It is the test case. The fact of the matter is that there is so-called protection in the Free Trade Agreement. I will read Article 1203 which exempts provincial controls on the export of unprocessed fish on the East Coast. Article 1801, however, states that the U.S. has the choice to challenge any trade restriction in the GATT.

If this GATT precedent is allowed to stand, they will then take the next case and move it over to the East Coast; then the entire Canadian fishery and the workers in it will be put in jeopardy. That is the real issue we are facing.

I would even go one step beyond that. It is another test case similar to what we have seen in the softwood lumber case. It is a retreat, a surrendering of the rights and abilities of Canadian Governments, federal and provincial, to protect our own natural resources, to try to provide the best laws and regulations in the interest of conserving our own resources, managing them, and ensuring that they are used in an effective and efficient way for the employment of Canadians.

The Canadian public policy over the years has been judicially applied—it has not been exaggerated or abused—to ensure that our vital natural resources can be properly used. As experts have pointed out, this landing

requirement does nothing for the conservation or management of our resource. Again it is simply a throwaway.

The same thing will happen in other natural resource areas. Our ability to make decisions in our own Legislatures, our own Parliaments, on how we want to use our natural resources in an effective and conserving way is being lost because we no longer have the instruments. They are being taken away from us. We do not have a Government which either understands or accepts the need and the utility of those kinds of important public policy tools and important public policy programs.

I say to you, Madam Speaker, on behalf of my colleagues from whom we will hear more throughout the day, that the intent of the resolution is the right one to get the Government to act. We would not endorse the notion that this is a Government which has been doing its best. Far from it. It has been doing its worst. It has been covering up. It has not been trying to protect the west coast fishery as a responsible national Government should. It has had as its overriding obsession and preoccupation the signing of a deal with the Americans, regardless of the cost or how many victims it had to throw on the scrap heap.

Unfortunately, the people on the West Coast in the fishing industry are right now the visible victims. There will be many more in the months and years to come, unless we stop this deal and stop what this Government is doing.

• (1240)

[*Translation*]

Mr. Marin: Madam Speaker, I listened with great attention to what our colleague just said. Although we must admit that the Opposition is fulfilling its role of officially being against any government action or policy, it is still a little difficult to understand that intelligent people sitting in the Opposition can confuse such important things as the decline in eastern fish stocks, the problems with GATT in the West and free trade. The Hon. Member who just spoke got it all mixed up! If GATT creates problems in the West, that is necessarily the reason for our resource declining in the East.

I will ask our colleague a question: Would he be prepared, on behalf of his party, to ask that Canadian fishermen not have the right to sell wherever it suits them?

Mr. Axworthy (Winnipeg South Centre): Madam Speaker, I am not the one who was confused; it was the Minister of Fisheries and Oceans. The Minister said that the fisheries sector was in good shape; I did not. I have the responsibility of asking in the House whether the problems with the fisheries, especially on both coasts—this problem is due to a decision of this Government.

Madam Speaker, especially in the free trade negotiations, your Government gave the Americans the right to protect the fishing industry with export taxes. That is a simple fact. It is not a problem of confusion, it is the decision made by your Cabinet, which decided with the Americans during those negotiations to give away this fundamental, sovereign right of Canada.

[*English*]

I resent the tactics used by the Member and by the Minister himself to try to pit one sector of the fishing industry against the other. They are turning the fishermen against the people in the processing industry because if they can divide, they can conquer. If we had the right to protect our fishery through a proper export tax, a right which the Government gave away, then we would not have a problem protecting the fishermen, the fish processors, and the industry as a whole.

Mr. Barrett: Madam Speaker, I have a quick observation to make and a question to ask my Liberal colleague. First, I would like to ensure that my comments are in order by referring to the motion we are discussing. The motion reads:

> That this House reaffirms the government's pledge to the West Coast salmon and herring industry to "not allow jobs, historically established, to be threatened" by any government response to GATT rulings.

To put this in context, I want to tell Hon. Members where the words in quotes come from. The words in quotes were deliberately chosen because they were plucked out of a pledge given by the Minister of Fisheries and Oceans to the west coast fishing industry. The NDP is not suggesting that we support the Government's initiative. We just want to see if government

Members vote to back up the Minister's very words to the industry.

The Hon. Member eloquently answered the last question asked regarding the GATT ruling. Does the Hon. Member not find it passing strange that the Government has said that GATT forced the Government to do it, as the Hon. Member so eloquently, if somewhat theatrically, put it?

If the GATT forced the Government to do it, why is it going to a free trade panel to deal with a GATT decision? I would ask the Hon. Member to explain, since he is knowledgeable about the Free Trade Agreement, why the Government has copped out, given in, abandoned the logic that GATT made the Government do it? Why has it not gone back to GATT but has used the free trade agreement panel?

It has been reported to me that the Minister said that the Government is going to the free trade panel because that is what the Americans wanted. I do not need to ask who is the monkey and who is the organ grinder. The Government's position is one of capitulation, does the Hon. Member not agree?

Mr. Axworthy (Winnipeg South Centre): Madam Speaker, that is a tough question to answer. Let me say at the outset that in my remarks I did not criticize the motion. I did say that the Hon. Member for Nanaimo—Cowichan, who said that he was supporting government initiatives in the past, should have pointed out that those initiatives were no more than a subterfuge and a camouflage. They were not seriously intended to protect the interests of the west coast fishery.

I would simply say, because time is limited, and this amplifies just what a hoax the Free Trade Agreement really is, the reason the Government is not going to a panel under the Free Trade Agreement is that it knows it would have to apply U.S. trade law. It would be required to use U.S. law as the basis for a decision—

Mr. Barrett: It is going to the free trade panel.

Mr. Axworthy (Winnipeg South Centre): But it is not going back to GATT because when the Government signed the Free Trade Agreement it in effect signed away its options and choices and has implicitly accepted that U.S. trade law will determine the outcome of those decisions.

The Minister knows full well that the great promise of guaranteed access to U.S. markets was really a charade. All we really got was to be the instrument of applying U.S. trade law to Canada.

Mr. Dave Worthy (Cariboo—Chilcotin): Madam Speaker, today we are engaged in a discussion that is very important for the people of British Columbia. I do not rise as an expert on the fishery, but I do rise as a Member from British Columbia who is keenly aware of the importance of this industry to British Columbia and in fact to Canada, particularly to the thousands of fishermen and fish processors who are engaged in this very important livelihood.

It is essential that we focus our attention for a few moments on the history surrounding the salmon and herring fishery and that we do not forget that it was British Columbians who built the fishery, it was British Columbians who developed the product lines and the markets which make our fish products second to none in the world, and it is British Columbians who will continue to be the leaders in the trading of fish.

The concerns that have been expressed are felt by all who are close to British Columbia because the salmon and herring industry represents a major component of the B.C. economy, an economy that is dependent on trade as is the rest of the country dependent on fair and free trade. As a signatory to the GATT and to the Free Trade Agreement, Canada recognizes that there are trade rules which must be followed. We play by the rules of the game in Canada.

• (1250)

What is on the minds of many British Columbians is the removal of the requirements for the processing of Pacific salmon and herring in Canada. Why were these regulations removed?

In 1986 the United States indicated to Canada that it found the regulations requiring the processing of salmon and herring to be a restriction on trade. Canada and the United States entered into consultations but could not find the means to arrive at a mutually satisfactory resolution. The United States appealed as was its right to the GATT. As a result, a panel of trade experts was established to review the salmon and herring processing requirement regulations to ascertain if they constituted a GATT illegal barrier to trade.

Both Canada and the United States made their supportive arguments before the GATT panel. In November 1987 the panel ruled that in fact the processing requirements for salmon and herring could not be justified under the GATT rules and that they were a trade barrier. In April 1988 the Government accepted the GATT panel findings and indicated that the GATT illegal regulations would be removed.

This Government heard the concerns expressed by the B.C. fishing industry over the acceptance of the GATT panel findings and responded accordingly. First, it assured other sectors of the fishing industry that we were not going to take actions which would jeopardize our trading relationships around the world.

Second, it assured the fishing industry that measures would be taken to ensure that the fundamental principles of sound resource conservation and management would not be compromised by the Government's decision to accept the panel finding.

Third,it assured that any new conservation and management measures taken by the Government would be GATT consistent.

In the summer of 1988 a high level industry working group was established to identify what measures were necessary to ensure that the conservation and management of the salmon and herring industry would not be compromised by the removal of the processing requirements. It should be noted that the processing requirements constituted a *de facto* landing requirement and that their removal meant valuable conservation and management information could be lost.

The working group considered the problems created by the removal of the processing requirements and submitted their report in early September 1988. To ensure that any new requirements were GATT consistent, the working group recommendations were scrutinized by GATT scholars who advised the Government that some aspects of the working group's recommendations were not GATT consistent and should not be adopted by the Government.

However, the implementation of the landing requirements to ensure the collection of essential and accurate conservation and management information was considered to be GATT consistent and was implemented by this Government in April of this year. It was implemented after five lawyers gave this Government their best advice that these new regulations were, in fact, GATT consistent.

Following the review of the working group proposals by the GATT experts, the Government undertook to discuss the new landing requirements with the United States. Bilateral discussions continued into the spring of the year with the hope that the disagreements on the landing requirements could be resolved. This has not been the case, and the matter has been referred to the free trade dispute settlement panel which will bring forward its decision in September of this year.

We have all heard the rhetoric associated with this issue, rhetoric which clouds the essential points that need to be made. I share the concerns of the B.C. workers who feel that their jobs are threatened but ask what would be the impact on the same workers if Canada was not a member of the GATT. I submit that protectionism would be the norm and B.C. and Canadian products would face trade restrictive initiatives in many of our markets.

What kind of business plan could companies or individuals prepare for a market which determines trade policy on an *ad hoc* basis? It would not be successful. Our membership in the GATT in recognition of the GATT rules means that we can develop products and markets with confidence. In those cases where we are treated unfairly we can appeal to the GATT for action. We should not lose sight of the importance of trade rules to effective trade and the long–term positive impact for all Canadians.

I accept, as I think we all do, the principles underlying the GATT. I accept, as I think we all should, that the Government had no other option but to abide by the GATT panel findings on Pacific salmon and herring. However, I cannot ignore the concerns of British Columbians over the potential impact of the GATT ruling. I am reassured by the action that has been taken to date, action based on sound conservation and management principles following the recommendations of the industry.

If we step away from the issue at hand and examine the B.C. fishing industry as objective observers, one cannot help but be moved by the pride this industry gives to its employees, its province, and its country. We are price setters in the market–place, not price takers, even though our products are not in the majority. When other countries have faced crisis after crisis due to inferior processing practices, our skilled and technologically

advanced industry has continued to produce top quality products.

The words "British Columbia" mean dependability and top quality around the world. Do we really need to provide trade protection for this industry? I submit that we do not. We do need to ensure that Canada's principles of conservation and management are not compromised and that no competitor is permitted to malign the B.C. reputation for quality.

The Government has initiated GATT consistent regulations to ensure that conservation and management principles are not compromised. I am confident that our fishing industry has the competitive edge and in the long term will agree that trade restrictive measures are not necessary for the continuation of this vibrant and productive industry.

The Acting Speaker (Mrs. Champagne): If the House agrees, may we call it one o'clock at this time and there will be a question and comment period after Question Period?

Some Hon. Members: Agreed.

[*Translation*]

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumes at 2 p.m.

STATEMENTS PURSUANT TO S. 0. 31

[*Translation*]

SPACE AGENCY

RELOCATION

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I wish to condemn a statement by Mr. Robert Bourassa that appeared in *La Presse* on June 13, in which he criticized scientists who disapproved of relocating the Space Agency to Saint-Hubert, Quebec.

[*English*]

Mr. Bourassa accuses them of narrow-mindedness and being limited in their competence. This cheap shot from the Premier of Quebec was only made for political gain. I have no doubt, Mr. Speaker, that these people are some of the brightest Canada has ever produced. The very fact that they can find jobs so quickly points to their excellence. The Premier of Quebec owes them an apology. I have great sympathy for people who are forced to uproot their families for political expediency.

[*Translation*]

Robert Bourassa has shown an incredible lack of tact towards the families in question, in addition to his flagrant ignorance of the excellence of these Canadian scientists.

[*English*]

The Prime Minister (Mr. Mulroney) should publicly affirm the competence of our space scientists.

* * *

REGIONAL DEVELOPMENT

P.E.I.—LOSS OF INVESTMENT AND EMPLOYMENT OPPORTUNITIES

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, over the past weeks, many investment and employment opportunities have come to a halt in Prince Edward Island.

This is a direct result of two measures taken by this Government. First, it failed to renew more than $720 million in regional economic development programs in Atlantic Canada. Second, the amount of money received under ACOA will be spread over seven years rather than five. This amounts to a reduction of approximately 25 per cent.

Now some projects will not proceed and the opportunity to create new jobs in the private sector will be lost. Islanders are frustrated and bewildered by these cuts. They believe that this Government has broken its commitment to regional development.

I urge this Government to reconsider its commitment and provide the necessary funding to encourage economic development in Atlantic Canada.

S. O. 31

TRANSPORT

BREAKDOWN OF SHARE OF PUBLIC TRANSPORT MODES

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, according to yesterday's *Globe and Mail*, the Minister of Transport (Mr. Bouchard) says that his Department has no detailed breakdown of the number of passengers travelling by train, bus, and airplane, and that he only has national figures from Statistics Canada.

The Minister should do his homework. I have in my hand a breakdown of the share of public transport modes for all the routes in the Quebec–Windsor corridor for 1987. For example, in that year, 48 per cent of passenger travel between Montreal and Toronto was by public transport modes. Of that share, 26 per cent travelled by rail. Between Toronto and Windsor, 34 per cent of passenger travel was by public means. Half of that was by rail. Twenty-seven per cent of travel in the corridor was by means other than the private automobile. One third was by rail.

These are part of a national tracking study tabled by VIA Rail at the National Transportation Agency hearings. The Minister of Transport no longer has an excuse for not knowing what he is talking about when it comes to VIA Rail ridership levels. Wouldn't it be nice if we had a Minister of Transport who knew what he was talking about?

* * *

[*Translation*]

ACID RAIN

PRIME MINISTER'S ROLE

Mrs. Pierrette Venne (Saint-Hubert): Mr. Speaker, it is a privilege for me to rise in the House today to speak about acid rain.

Thanks to the perseverance of our Government and especially of our Prime Minister (Mr. Mulroney), a major milestone was reached a few days ago, when the President of the United States presented a bill on reducing acid rain in the United States.

Under the proposed legislation, the United States will cut sulphur dioxide emissions by half between now and the year 2000.

We all know that most of this pollution comes to us from the United States.

Industrial emissions of sulphur dioxide, the main component of acid rain, affect the provinces of Ontario and Québec to a very great extent.

I am therefore both proud and thankful that the Prime Minister has been so insistent on this very important issue, since our quality of life and our environment are at stake.

* * *

[*English*]

ROYAL CANADIAN MOUNTED POLICE

ALLEGED POLITICAL INTERFERENCE

Mr. Bill Domm (Peterborough): Mr. Speaker, the NDP has been claiming that the Government is applying political interference by influencing the RCMP to lay charges under the Criminal Code in connection with the federal budget leak. We heard this accusation at the Justice Committee hearings this week, even when the RCMP Commissioner, Norman Inkster, stated to the NDP questioner from Victoria: "No one from the Government called me. No one tried to influence me in any way, shape or form".

Commissioner Inkster flatly rejected suggestions by the NDP that there had been political interference in the decision to lay charges. The NDP then moved and lost a motion asking the RCMP to withdraw the charges laid against the television broadcaster and others for the leak.

Could the NDP not realize that a motion to direct the RCMP to withdraw a criminal charge would be direct political interference, showing a most blatant interference in the due process of law.

I am sure Canadian people will be happy to know that our national police force, not the NDP, is the investigating authority in determining when criminal charges should be laid.

* * *

[*Translation*]

TRIBUTES TO MAURICE BELLEMARE

Mr. Denis Pronovost (Saint-Maurice): Mr. Speaker, this morning, all Québecers heard to their sorrow about the death of the Hon. Maurice Bellemare. The ex-MNA

for Champlain and Johnson in the Québec National Assembly had been a well-known figure on the Québec political scene since 1944.

With the passing of the last survivor of the Duplessis era, an important page in Québec's history has been turned. Mr. Bellemare became well-known as Minister of Labour and as the loyal servant of Premiers Duplessis, Sauvé, Johnson and Bertrand. He was a man of great character and personal warmth, very sincere and with a termendous concern for the problems of others.

Mr. Speaker, I am sure that all federal Members will join me today in paying a last tribute to a very great Québecer.

Some Hon. Members: Hear, hear!

* * *

[*English*]

PAKISTAN

ALLEGED PERSECUTION OF AHMADI MUSLIMS

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, persecution of Ahmadi Muslims in Pakistan continues. I have now received reports that last Thursday, June 8, as a result of a provocative and inflammatory speech apparently delivered by a Muslim clergyman, a Member of provincial Parliament, a mob of Pakistan Muslims raided an Ahmadiyya Mosque in Lahore. They burnt down the articles of the Mosque, the home of an Ahmadi and vandalized the shop of an Ahmadi Muslim. Last month, an outstanding Ahmadi doctor was murdered in broad daylight. This was the seventeenth Ahmadi murder in the home province of Pakistan's Prime Minister.

It is high time that the Government of Canada take up the matter seriously with the Pakistan Prime Minister as it is a clear violation of human rights. As the Member of Parliament for York North where the Ahmadiyya Mission and Mosque are located, I strongly urge the Secretary of State for External Affairs (Mr. Clark) to convey, in the strongest possible terms, the serious concerns of the Government of Canada and of Canadians on this ongoing persecution against Ahmadi Muslims in Pakistan.

S. O. 31

NEW DEMOCRATIC PARTY

UPCOMING LEADERSHIP CAMPAIGN

Mr. Rod Murphy (Churchill): Mr. Speaker, on Tuesday, the Member from Portage—Interlake rose in this Houses and criticized the intention of the New Democratic Party to have a squeaky clean leadership campaign. Thanks to the handiwork of a prominent Liberal supporter, Patricia Starr, we now know that a charity listed with Revenue Canada has donated more than $60,000 to various Liberal campaigns.

• (1410)

Meanwhile, at the federal level, Senator Michael Cogger, a close friend of the Prime Minister, is now implicated in an influence peddling case. He has also used a plane which was donated to work in a by-election campaign.

Kenneth Washcuk, a Regina pollster has been appointed to the Air Canada Board of Governors by the Conservatives. He is now in political trouble.

Tommy D'Errico, a federal Tory supporter and a provincial Liberal bagman has been appointed to the CBC Board of Governors and is now in the centre of a land flip scandal in Quebec.

There is no other reason for having a squeaky-clean campaign and an ethics committee of the House of Commons than the pasts of the Liberal Party and Conservative Party of this country.

* * *

THE ENVIRONMENT

U.S. CLEAN AIR PROPOSALS

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, this week's announcement of clean air proposals by the American administration is welcome news for Canadians too, and comments from the United States Senate that Canada was instrumental in this latest initiative are worth a bit of uncharacteristic Canadian self-congratulation.

But it is only the first step.

I urge the Minister of the Environment (Mr. Bouchard) to immediately take the next step to initiate discussions resulting in an international agreement on acid rain. This would commit both countries to achieve

promised emission controls. Legislation is good. An agreement is even better.

* * *

CANADA POST

POSTAL SUBSIDY FOR PERIODICALS AND MAGAZINES

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, the Government's gross insensitivity to Canadian cultural undertakings has once again reared its head with the Government's decision to cut $45 million over the next two years from the century-old postal subsidy.

Canadian periodical and magazine publishers state that the cut to this postal subsidy could put them out of business. This industry only earns pre-tax profits of 2 per cent.

Studies have demonstrated the necessity of the postal subsidy for the survival of this industry. One year ago the Government announced that program funding would be maintained at approximately its current level for at least five years. That was a show and promise to Canadian voters that a Canadian cultural initiative would be preserved. With the election over, the Free Trade Agreement a *fait accompli* and a little pressure from American printers, the Government has broken another of its promises to Canadians.

The Government's slashing of this vital link between publisher and reader may irrevocably affect the lives of 95 per cent of Canadians who read Canadian magazines. Does this Government not realize that Canadians like to read *Equinox*, *Chatelaine*, *Maclean's*, and others?

* * *

THE ECONOMY

OPENING OF NEW PLANT IN TRENTON

Mr. René Soetens (Ontario): Mr. Speaker, on Monday when I spoke in the House about the new jobs being created in my riding in the pharmaceutical industry because of good Conservative government policy, members of the Opposition complained that it was not helping their ridings at all.

I can only encourage members of the Opposition to look again. By example, I would like to tell them about some jobs that are being created in eastern Ontario in an opposition held riding.

Banner Packing Ltd. will be building a new 45,000 square foot pet food plant in Trenton creating 49 new jobs in a community that needs those jobs. When the national sales manager was asked why the expansion was occurring he stated: "The decision to expand at this time is in keeping with the advent of free trade as the products are aimed at new markets in the U.S. and Europe".

It just goes to show that good government policies such as free trade are helping even those who chose not to vote Conservative, this time.

* * *

CREDIT CARDS

ISSUING OF NEW RED CARD

Mr. Garth Turner (Halton—Peel): Mr. Speaker, I rise on an urgent matter. In this country we have green credit cards, gold credit cards and platinum credit cards. Now we are about to have a red card.

As the House knows, this week the Standing Committee on Consumer and Corporate Affairs and Government Operations has been conducting an investigation into the matter of credit cards. Members of this committee, from both sides of the House, have been relentless and effective in their questioning of the bankers. Some real concerns have emerged from the committee.

I wonder how the Liberal members of the committee feel about a plan that would see their Party in bed with the Royal Bank for the issuing of a new credit card. Is it right for a political Party to hand out credit cards? Is it right for a political Party to get a pay-back when a Liberal Member of Parliament uses that card for parliamentary business?

What type of signal does this send to the Liberal members of the committee who are trying to do their job in the committee? Does the Liberal Party brass not believe that this puts their members in a compromising position.

* * *

CANADIAN ARMED FORCES

LOW-LEVEL FLIGHTS IN WESTERN CANADA

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, yesterday's announcement of low-level flights in western Canada has again reminded us of a lot of what is wrong with this Government.

First, it reminds us of arrogance towards remote regions of the country when the Minister states that those areas were chosen because they are unpopulated. There is the community of La Loche in the flight path which has more than 3,000 people, and many other communities where people have lived for generations.

Secondly, there is the myth of consultation. No one along that flight path has ever been consulted. Third, the Government's thinking is still mired in the cold war. We have made it through all these years without these flights. Why do we need them now just when international relations are improving?

Therefore, I call on the Minister to get in touch with the real world and cancel these flights.

* * *

[*Translation*]

MEECH LAKE ACCORD

QUEBEC SPECIFICITY

Mr. Gilles Bernier (Beauce): Mr. Speaker, Canada will be celebrating on July 1. We live in a country where the ten provinces that make it up are very diverse and have very different needs. We all enjoy innumerable benefits in this Canadian society which is free, prosperous, democratic and so tolerant.

Canada is open to immigration, a promised land for its inhabitants, a country of hope for young people who are learning to live with its linguistic duality and soon, I hope, we will live with the wonderful reality of the Meech Lake Accord, which is still in suspense because two provinces do not want to accept Québec's specificity.

I represent Beauce in Québec and where I come from, Mr. Speaker, people think that differences between the provinces are normal and they are proud to be Canadians. We do not understand why Manitoba and British Columbia do not accept our reality as Québecers within the great Canadian family.

It is together, Mr. Speaker, in a united Canada, that we will make progress.

ORAL QUESTION PERIOD

[*English*]

UNEMPLOYMENT INSURANCE

BILL C-21—OPPOSITION TO CHANGES

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, my question is directed to the Prime Minister. This morning a national coalition of Canadians announced their plans to vigorously oppose the Government's cruel changes to unemployment insurance.

The Unemployment Insurance Act was introduced in 1940 and since that time it has served Canadians well when they have lost their jobs against their will.

Now, with Bill C-21, the Government is making it more difficult to qualify for unemployment insurance, is cutting back on the benefit period, and is taking $1.3 billion away from regular benefits.

Can the Prime Minister tell us how many Canadians will directly lose because of those changes in the Unemployment Insurance Act? How many Canadians will have no unemployment insurance benefits because of these changes? Who is going to take care of those unemployed Canadians?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, when we announced the strategy to implement the policy for those who must work, we took account of regional disparities. The purpose of the strategy, the unemployment insurance reform, is to create jobs. We want to break the vicious circle of those who work 10, 12 or 15 weeks and then collect unemployment insurance. So we have an active strategy for an active population, with access to training!

THE UNEMPLOYED DEPRIVED OF BENEFITS—GOVERNMENT POSITION

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, the Minister did not answer my question, which I will repeat.

Since the Government took $1.3 billion from the Unemployment Insurance Benefits Fund, thousands of unemployed people will certainly be deprived of bene-

fits. Now I ask again: How many unemployed will be the victims of these changes and who will be responsible for these abandoned unemployed people?

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, the losers will be workers who quit their job voluntarily. We know very Well that training can facilitate job creation.

• (1420)

[*English*]

CONCERNS OF PROVINCIAL GOVERNMENTS

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I want to go back to the Prime Minister. What kind of smoke and mirrors game is this? The Government is cutting $1.3 billion from regular unemployment insurance benefits and it is pretending that no one is going to lose. It is evident that if you are unemployed and have no unemployment insurance benefits, then you are going to have to rely on provincial welfare. Now several provinces have already expressed their alarm at this possibility.

I ask the Prime Minister, or the Minister of Finance, how many provincial Governments have already approached him with respect to this problem, and how are they going to help the provinces carry this additional burden of taking care of the unemployed of Canada?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the simple answer is that none have, but I think the Hon. Member should reflect on the reasons why we are proceeding with these unemployment insurance changes.

Mr. Allmand: Answer the question.

Mr. Wilson (Etobicoke Centre): Well, Mr. Speaker, the Hon. Member says, answer the question. I did in the first sentence of my answer, if he would clean out his ears.

What I said was that it is important that we understand the reason why we are proceeding with these unemployment insurance changes. We believe that it will be beneficial. The savings that are being made in the unemployment insurance system are being recycled right back into making the labour market a healthier labour market so that people can get training, so that people can get better jobs, so that people can stay with their jobs for a longer period of time. That surely is the objective that this Government has, and it surely should be the objective of the Hon. Member.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

LACK OF GOVERNMENT CONTRIBUTIONS

Mr. Joseph Volpe (Eglington—Lawrence): Mr. Speaker, my question is directed to the Minister of Employment and Immigration.

Her Government intends to cut nearly $5 billion from its social programs. Six hundred thousand Canadians will feel the impact of these cuts, the 20 per cent who receive unemployment insurance, and I am referring to women, young people, Native people, the disadvantaged and those with very little training.

How can the Minister claim to help the neediest in this country, when her Department has agreed to withdraw the Government's share of unemployment insurance contributions to the tune of $2.9 billion, to meet the objectives of the Minister of Finance?

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, we are not cutting programs, we are making them more effective and more active. Recommendations were made by parliamentary committees, and we know perfectly well that our employment strategy, which worked well during the first four years, was aimed at manpower training and that we now have to train people to meet new labour market needs.

We are not cutting our programs, we are making them more effective and more productive.

[*English*]

JOB DEVELOPMENT PROGRAMS

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, the facts, if the Minister would just look at them, tell an entirely different story. The same people upon whom she is imposing this onerous tax burden, will be contributing over 58 per cent of all funds to the Finance Minister's budget cuts for the upcoming spending year, are those on whom she is also shutting the door to training.

Why is the Minister cutting $53 million from job development programs and denying, thereby, access for over 10,000 Canadians the opportunity to improve their

employability? Does she think it is fair to penalize those who cannot help themselves for her Government's wastrel habits?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, the reform we announced allows for regional differences. I come from a region where, unfortunately, the unemployment rate is still too high.

In fact, we have made it clear that it is possible to work together with the provinces and the private sector, to establish an employment strategy and to ensure that workers are an asset to the labour force.

* * *

[*English*]

LABOUR

CANADIAN COUNCIL OF SOCIAL DEVELOPMENT REPORT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Minister of Labour.

The Canadian Council of Social Development produced its annual assessment of the reality of Canadian poverty today. It contained a number of alarming statistics. Among them was the fact that some four million Canadians remain at the poverty level in this country. One of the major reasons cited by the Council for this is that poverty among young families has almost doubled in the past 15 years. Again, the reason that poverty among these families has gotten so bad according to the Council is the deplorable state of the minimum wage in Canada which has gone down in real terms an awful lot.

My question to the Minister is simply this—

Mr. Crosbie: How much?

Mr. Broadbent: The Minister says how much. The reality is that the federal minimum wage is the lowest in Canada, lower than the provinces, lower than the territories at only $4 an hour, and that is one of the major reasons for poverty.

I want to ask the Minister of Labour, will he take some concrete action on behalf of the poor and raise the minimum wage immediately?

[*Translation*]

Hon. Jean Corbeil (Minister of Labour): Mr. Speaker, like all Members of this House we are, of course, very concerned about the level of poverty among certain Canadian citizens, and action will be taken. Some very interesting statistics, published several times during the last few months, indicate that far fewer people in Québec are living below the poverty line now than in 1984. I think we should acknowledge this fact, which is an improvement for a large number of Canadians.

[*English*]

Mr. Broadbent: Mr. Speaker, how complacent can you get? We have almost four million people living in poverty and you get that kind of nonsense from the Minister.

REQUEST FOR ACTION ON MINIMUM WAGE

Hon. Edward Broadbent (Oshawa): I have a question for the Prime Minister. If you look at the record of the Conservatives since 1984, the only group of Canadians who have improved their income position in this country are the richest 1 per cent—the richest 1 per cent I say to the Ministers on that side. Since we have a virtual doubling of young families living at the poverty level and a major reason being the low level of the federal minimum wage, will the Government take action now to increase the minimum wage for Canadians and set some standards?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Leader of the NDP refers to Canadians living in poverty. Of course all parliamentarians work to alleviate that situation. I know that my hon. friend will be happy to learn that the number of Canadians living below the poverty line fell by 549,000 from 1984 to 1987. That is a tremendous improvement for Canada. The number of children living below the poverty line fell by nearly 200,000 during that same period. It is important to note that since 1984, almost 1.4 million new jobs were created.

If we maintain that kind of attitude and economic outlook, we will be able to keep up that kind of job creation and ensure the elimination of a greater degree of poverty in Canada and bring about a greater degree of social justice.

Some Hon. Members: Hear, hear!

[*Translation*]

REQUEST THAT POVERTY AMONG CHILDREN BE ELIMINATED

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Prime Minister knows perfectly well that the percentage of Canadians living below the poverty line has not changed in twenty years. It is about 20 per cent. The Prime Minister mentioned children, for instance. In Canada today, there are one million children living below the poverty line. My question to the Prime Minister is quite straightforward: Can the Government guarantee that in September, after the summer holidays, its goal will be to completely eliminate poverty among Canadian children?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am all for eliminating poverty in Canada. I am not going to wait until September. I would like to do it tomorrow. But unfortunately, it is—

Mr. Broadbent: September was a target date!

Mr. Mulroney: —it is a very serious problem.

I have just given the figures for Canada. Perhaps I may give those for Québec. Since the election in 1984, 315,000 new jobs have been created in Québec. The number of Québecers living below the poverty line has declined by 171,000 since 1984, and this includes 53,000 children. So I think that with the job creation rate we are achieving, with the creation of new wealth by reducing the number of people affected by poverty, we are making substantial progress. We still have a lot to do, and we intend to reach that goal with the help of all Members of this House.

* * *

• (1430)

POVERTY

GOVERNMENT POSITION

Mrs. Shirley Maheu (Saint-Laurent): Mr. Speaker, my question is for the Prime Minister. This morning, the Canadian Council on Social Development announced that a quarter of Québec families live below the poverty line. That is a total of 615,000 households or two and a half times the population of the City of Laval. When will the Government act to halt the widening gap between Canadians? What will the Prime Minister do so that Québec will no longer be the second poorest province in Canada?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member has heard the response that was given to that same question by the Right Hon. Prime Minister. She asks when are we going to act. We have been acting.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): We increased the child tax credit between 1984 and 1988 from $367 to $559 per child. We introduced a refundable sales tax credit, a major progressive advance in social policy which will reach, in 1990, $140 per adult and $70 per child. Also in 1988, as a result of the income tax reform, we introduced changes in the income tax system which resulted in 850,000 low income Canadians not paying tax in 1989.

Those are three clear actions that address the problem the Hon. Member has raised.

[*Translation*]

PEOPLE LIVING BELOW POVERTY LINE—MINISTER'S POSITION

Mrs. Shirley Maheu (Saint-Laurent): Mr. Speaker, my supplementary question is still for the Prime Minister and I have a comment for the Minister of Finance: You raise taxes and cut programs.

In his recent Budget, the Minister of Finances predicted an increase in the unemployment rate, which means that the rate in Québec could go over 10 per cent. The Minister of Employment and Immigration is determined to present her Unemployment Insurance Bill, which will force Québecers to depend more and more on welfare benefits. What does the Minister intend to do to help women and children who live below the poverty line?

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): What we are determined to do, Mr. Speaker, is to implement measures for more training, measures for seniors, measures that respect the Charter of Rights, measures that will support the talents of young people, women and seniors.

[*English*]

REGIONAL DEVELOPMENT

IMPACT OF CUT-BACKS ON ATLANTIC CANADA

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my question is addressed for the Prime Minister. Over the past few weeks the Prime Minister and his Government have waged an all out attack on the people of Atlantic Canada. Military bases have been closed. Fish plants have been shut down. Regional development agreements have been allowed to expire.

After $3 billion in cuts and thousands of jobs put at risk, the Prime Minister is slashing another $200 million in unemployment insurance benefits in Atlantic Canada.

Why has the Prime Minister decided to slash benefits and impose tougher requirements at the very time when the people of Atlantic Canada are pleading for some compassion and some relief? Is the Prime Minister's real vision of a caring and compassionate Canada—so much for those who have and to heck with everybody else?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend is talking about an area of the country that has received a great deal of attention from the Government and deserves even more, and will be receiving it.

Mr. Tobin: That is what is scaring us.

Mr. Mulroney: I ask my hon. friend to consider, for example, during the time that his Party was last in government regional development averaged $185 million per year in Atlantic Canada. Over the last five years regional development went to $282 million per year. Over the next five years the average spending level will go to $425 million per year, which is an increase for Atlantic Canada of 51 per cent.

My friend will want to consider the objective facts. Results of programs have to be measured some way. One way to do it is to measure it by unemployment or employment results. Since we came to office there have been 29,000 more jobs created in Newfoundland; 6,000 more jobs in Prince Edward Island; 35,000 more jobs in Nova Scotia; and 38,000 more jobs in New Brunswick. That is results for Atlantic Canada.

Some Hon. Members: Hear, hear!

Mr. MacDonald (Dartmouth): We know how to add in Atlantic Canada. We know that what this Government has done to Atlantic Canada is both obscene and unconscionable.

REFUSAL TO MEET WITH PREMIERS OF ATLANTIC CANADA

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my supplementary question is directed to the Prime Minister.

The Atlantic Premiers have jointly asked for an urgent meeting with the Prime Minister regarding his callous treatment of our region. The Prime Minister's response is to give the Premiers the back of his hand.

In light of the Prime Minister's rhetoric on national conciliation, why has he refused to meet jointly with the Premiers of Atlantic Canada to discuss these changes and their devastating impact on the people of Atlantic Canada?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I know that my hon. friend would like to pass himself off as a hero in Atlantic Canada. However, he represents the political Party that voted against the Atlantic Canada Opportunities Agency.

Some Hon. Members: Oh, oh!

Mr. Mulroney: Atlantic Canadians know that.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Members of his Party held it up, led by Senator MacEachen in the Senate. Atlantic Canadians will never forgive them for what they have been doing to betray the interests of Atlantic Canada.

Some Hon. Members: Hear, hear!

* * *

UNEMPLOYMENT INSURANCE

PROPOSED AMENDMENTS TO ACT

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, my question is directed to the Prime Minister. It concerns unemployment insurance.

We have heard that all this government largess is going to the unemployed people of Canada. I met with a group of people this morning ranging all the way from the FTQ in Quebec, to the Status of Women, to the Canadian

Federation of Students who are opposed to those changes. They are not exactly appreciative of all these wonderful things the Government is supposed to be doing.

Could the Prime Minister name one organization that is in favour of the changes to the UI program?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, all employers in this country want an active labour force. All employers and the private sector want the labour force to be up to their new requirements. However, individuals who through no fault of their own have to leave their jobs will receive the same benefits, but in a different way.

[*English*]

IMPACT OF PROPOSED AMENDMENTS ON UNEMPLOYED

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, obviously that is not the case. We do know that all employers in the country are not in favour of it. The Minister cannot make any blanket statements such as that one.

As part of the devastation that is being heaped upon the unemployed people of Canada, I want to point out that $200 million or $300 million is now going to be paid in the form of tuition by unemployed students who otherwise would have been receiving funds out of general revenue. How can the Minister possibly say that those are improvements for the unemployed people of Canada?

• (1440)

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, what is going on in this House! What we are trying to do as a Government is ensure that our labour force is retrained and ready to take its place on the labour market and meet new requirements, and they are clamouring for measures and mechanisms to support unemployment insurance! Our reform is aimed at breaking this vicious circle of being unemployed, employed for a while and then unemployed all over again. What we want to do, on the basis of the recommendations made in various committees, is to provide more training under our program. We want to make a more active, more effective and more dynamic program, and that is what the unemployment insurance reform is all about.

* * *

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF PARLIAMENTARY DELEGATION FROM NEW ZEALAND

Mr. Speaker: I wish to draw to the attention of Members the presence in our gallery today of a parliamentary delegation from New Zealand, led by the Honourable Kerry Burke, Speaker of the House of Representatives.

Some Hon. Members: Hear, hear!

* * *

UNEMPLOYMENT INSURANCE

IMPACT OF PROPOSED AMENDMENTS ON ATLANTIC CANADA

Ms. Mary Clancy (Halifax): Mr. Speaker, my question is also for the Prime Minister, in the wake of his scorched earth policy in Atlantic Canada. During the election campaign both the Prime Minister and the Minister for International Trade stated and restated that absolutely no way would there be any cuts to unemployment insurance.

Can the Prime Minister tell us now what cataclysmic change occurred in this country between November and April which caused this complete reversal of government policy and broke yet another sacred trust?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, may I just comment briefly on the scorched earth comment of my hon. friend from Halifax.

From 1984 to 1989 the unemployment rate in Newfoundland dropped from 23.5 per cent to 14.4 per cent. In Prince Edward Island it dropped from 14 per cent to 12.8 per cent. In Nova Scotia it dropped from 13.8 per cent to 9.5 per cent. In New Brunswick it dropped from 16.3 per cent to 12 per cent. Mr. Speaker, that is not a scorched earth policy.

The scorched earth policy took place between 1980 and 1984 when the Liberal Party trampled upon the economy of Atlantic Canada and left the economy of that region decimated. This Government, with the co–

operation of Atlantic Premiers, brought it back to life. That is why Atlantic Canada continues to do well today.

Some Hon. Members: Hear, hear!

Ms. Clancy: I can only say that somebody should tell that to the over 8,000 fish plant workers in Atlantic Canada who are going to be affected by the fish plant closures.

Many of these jobs are held by women, and most are in areas where the fishery is the only game in town.

RETRAINING OF WORKERS

Ms. Mary Clancy (Halifax): Mr. Speaker, in the absence of the Minister of Employment and Immigration, I would like to know from the Prime Minister, who does such a great thing for my region, does he plan to retrain these workers for industries that do not exist, or is this Government so insensitive to community ties in Atlantic Canada that he is just going to tell them all to move to Toronto.

We have heard that the Minister is going to consult on training. How about you, Prime Minister? Why don't you consult?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we are not going to tell Atlantic Canadians to move to Toronto. A Liberal royal commission tried that in 1957, and it failed then and it would fail again.

Ms. Clancy: I could not vote in 1957.

Mr. Mulroney: My hon. friend said that she was not born in 1957. I was only a child myself, Mr. Speaker.

Ms. Clancy: I said I could not vote. I was born.

Mr. Speaker: Well, I was and I probably have a better memory than all and any of you. Perhaps the Prime Minister could answer the question.

Mr. Mulroney: Mr. Speaker, my hon. friend asks a question—and perhaps given her political background she would want a more authoritative voice than one from this side of the Chamber—with regard to attitudes in Atlantic Canada. Perhaps I could refer her to a recent statement in *The Financial Post* which stated: "The Canada–U. S. Free Trade Agreement is already starting to reverse the fortunes of Atlantic Canada, New Brunswick Premier Frank McKenna said yesterday— APEC figures show planned spending on projects of more than $10 million each has jumped 25 per cent since 1988 to $48.5 billion. A third of those projects will—get their start in 1989." I share the enthusiasm of Liberal Premier McKenna for the well-being of Atlantic Canada and not the pessimism of a lady from Halifax.

* * *

CANADA POST CORPORATION

IMPACT OF ANNUAL REPORT ON SERVICE

Mr. Garth Turner (Halton—Peel): Mr. Speaker, my question is directed to the Minister responsible for the Post Office. This morning the Minister tabled the corporate plan for Canada Post and its annual report. I was impressed by the amazing if not unbelievable turnaround in the financial position of the corporation.

I would like to ask the Minister: What impact will that financial turnaround have on what Canadians really care about and what they demand from Canada Post, that is, service?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, Canada Post announced today a profit of $96 million.

In reaching that first profit in 30 years, it has improved its on time delivery rate to 96 per cent as established by outside auditors, Clarkson Gordon. A recent Gallup poll established that 97 per cent of rural Canadians think Canada Post service is excellent. Canada Post even passed *The Toronto Sun* delivery test. We have just started.

Some Hon. Members: Hear, hear!

REQUEST FOR CANCELLATION OF POSTAL RATE INCREASE

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, with the announcement this morning, the Government has introduced a new tax. Will the Minister explain why he intends to use the Canada Post system as a new means of taxation by grabbing $300 million surplus for its general revenue?

Will the Minister cancel the increase in postage stamps projected on January 1, since it obviously does not need an increase to operate Canada Post?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, the Liberal Party cannot stand success. After years and years and billions of taxpayers

money poured into the Post Office finally the taxpayers are going to get a return on their investment.

In view of the fact that 80 per cent of revenues for Canada Post comes from business, the Hon. Member is suggesting that we should continue to penalize taxpayers, continue to have them subsidize business through the Post Office. We think the taxpayers have earned, after 30 years of billions of dollars of subsidies, the dividends coming to them.

EQUALIZATION OF SERVICES

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, the proposed $300 million tax grab, I would like to note, does not even meet the legislation. However, Canada Post was established to provide a service for Canadians, a service which should be provided equally, yet today it is far from equal.

• (1450)

In all communities, we see supermailboxes, door-to-door delivery, letter carriers, and green box service. There are different levels of service depending on what street one lives on. Will the Minister provide quality service and equality for all Canadians? Will he eliminate the inferior service provided by supermailboxes and the like?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, perhaps the Hon. Member did not hear my comments about the Gallup poll that showed that 97 per cent of rural Canadians think the postal service is excellent and that 90 per cent of those who live in communities where the service was changed in the last four years think it is as good or better than it was before.

Why in heaven's name is the Hon. Member advocating going back to something the people believe is worse than what they have today?

* * *

MUSEUM OF CIVILIZATION

OPENING CEREMONIES

Mr. Al Horning (Okanagan Centre): Mr. Speaker, my question is directed to the Parliamentary Secretary to the Minister of Communications and is with regard to the screening of *The First Emperor* at the opening ceremonies of the new Museum of Civilization.

Can the Parliamentary Secretary advise the House whether or not this film is being withdrawn and, if so, why it would not be shown on June 27? Has the withdrawal been a result of pressure from External Affairs?

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I thank the Hon. Member for a cogent and timely question—

Some Hon. Members: Oh, oh!

Mr. Speaker: It is just what the Hon. Member has suggested it is, and I think the House ought to listen to the answer.

Mr. Edwards: I will try to give a cogent and timely response. The film has not been withdrawn. It was deemed inappropriate by the Minister of Communications, in consultation with other Members of the Government including the Secretary of State for External Affairs, and officials of the Museum of Civilization and the National Film Board, to have a celebration just short days after this House passed a unanimous resolution condemning the actions of the Government of China. This is a Government to Government project.

However, I am pleased to advise that once the celebration of the opening of the museum is behind us, the public will have an opportunity to judge the film on its artistic merits and it will begin its screening at the museum on July 4. The withdrawal is not the result of any pressure. It was a decision of the Minister of Communications.

* * *

UNEMPLOYMENT INSURANCE

DRAFTER OF PROPOSED AMENDMENTS TO ACT

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, my question is for the Prime Minister. During the 1988 election campaign, the Government promised that social programs would be enhanced, not cut. It also left the distinct impression with Canadians that no social programs would be affected by the Free Trade Agreement and that Canada could expect a level playing field.

Is it not true that Americans see government involvement in unemployment insurance benefits as a subsidy

and wanted Canada to withdraw its involvement in unemployment insurance during the free trade negotiations?

Is it not also true that the Government dutifully complied with their demands, even before the negotiations on subsidies started?

Who drafted the unemployment insurance changes, the Minister of Employment and Immigration or the Minister for International Trade under the thumb of the Americans?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the answer is quite clearly, of course, that unemployment insurance was never discussed or negotiated in the course of the Canada-U.S. Free Trade negotiations.

The United States has never made a representation to us about the unemployment insurance program, and all we have had since the FTA came into effect are complaints from Americans that they are not up to our competitive standards because they do not have our medicare and other social programs. Those poor devils are suffering because we have those programs.

Mr. Speller: I remind the Minister that it was he who said that there would be no changes to the unemployment insurance system.

GOVERNMENT RESPONSE

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, my supplementary question is directed to the same Minister.

The Government knew all the time that it would make changes to the unemployment insurance system. In fact, at the same time as government Members were running across Canada saying that these programs were a sacred trust, they were secretly giving them away at the negotiation table.

Is the reason the Government has not started negotiations with Americans on subsidies that it has already given away the farm, as is the case with unemployment insurance, and now it has no bargaining position left?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, no changes in unemployment insurance are as a result of the Free Trade Agreement.

If the position taken by Hon. Members opposite is that all changes in social programs made since the election are as a result of free trade, then they will want to give credit for the $865 million increase in payments to seniors, the $307 million increase in the Canada Assistance Program, the $26 million increase in family allowances, the $127 million increase for initiatives relating to seniors, AIDS, the child care initiatives fund and Bill C-31.

What is sauce for the goose is sauce for the gander. It is time opposition Members recognized the fact that the Government's commitment to social programs remains strong and is growing.

* * *

CANADA POST CORPORATION

SERVICES IN COMMUNITIES

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, I want to return to the matter of Canada Post's profit of $96 million.

Some Hon. Members: Hear, hear!

Mr. Taylor: I appreciate the applause.

Some Hon. Members: Hear, hear!

Mr. Speaker: Given the time that remains, perhaps we could get on with the question.

Mr. Taylor: At this time when communities across Canada are organizing to save rural post offices and to get door-to-door delivery to the hundreds of thousands of people who are being denied door-to-door delivery, how can the Minister responsible for Canada Post justify $96 million in profits generated by the corporation when real people are organizing to improve the service in their own communities?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, across Canada today in weekly newspapers there will be an advertisement with the following heading:

> "People in my community are benefiting from this new postal service. It's good for the community."

This is signed by 80 reeves and mayors from across Canada, including Mr. Edward Kjargaard, Reeve of Alticane, Saskatchewan, which is in the Hon. Member's riding.

Some Hon. Members: Hear, hear!

Mr. Taylor: I am sure Canadians will take a lot of heart in the gloating of the Minister and Members on the other side.

MINISTER'S POSITION

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, the mandate given to Canada Post by Parliament in 1981 was for the corporation to deliver a service and to work toward self-sufficiency.

Some Hon. Members: Hear, hear!

Mr. Speaker: I would ask the Hon. Member to put his question.

Mr. Taylor: Is the Minister not taking liberties with the mandate Parliament gave Canada Post when he takes self-sufficiency and turns it into a $96 million profit at the expense of services?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, service has increased everywhere in Canada. The satisfaction level of the public has gone up. The price of stamps has risen less than inflation and is therefore down in real terms, and the post office has made a profit. What terrible, terrible news, Mr. Speaker!

* * *

• (1500)

NATIONAL DEFENCE

LOW LEVEL TEST FLIGHTS OVER NORTHWEST TERRITORIES

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, in the absence of the Ministers of National Defence, I direct my question to the Prime Minister. The Arctic is increasingly becoming a focal point for provocative international defence manoeuvres. Yesterday, the Minister of National Defence announced his approval of low level test flights over a vast area of the Northwest Territories. Given that the Dene, Métis and members of the Government of the Northwest Territories emphatically object to these outrageous military war games for environmental as well as other reasons, I would like to know whether the Minister consulted with these groups on his decision, or whether the groups were even advised of his commitment to the Americans. If they were, why were they not listened to?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, as I explained to the House yesterday, the request for these routes came from the binational command of NORAD. The routes were studied since 1985 by a private environmental firm hired by the Government of Canada. We held meetings and discussions with the Dene Nation. We held meetings with the Métis Association of the Northwest Territories. We held meetings with the Dene–Métis Negotiation Secretariat. The approval was given by the RERC of the Northwest Territories which is comprised of members made up of the territorial, federal and environmental groups in the Northwest Territories. Because of the discussions and the meetings held in the communities of Fort Resolution, Snowdrift and two other communities in the Northwest Territories, changes were made to the routes on their recommendations and changes were made to the altitude at which the exercise would be maintained.

RIGHTS OF ONGOING LAND CLAIMS IGNORED

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, in conducting the environmental review, it concluded that the only possible danger was the effect of aircraft noise on people and animals. Given the fact that much of the land area affected in the Northwest Territories is currently the subject of land claims negotiations with Canada's first people, specifically the Dene and Métis, why did the Minister choose to ignore this opposition, especially in light of the erosion of the right to negotiate ongoing land claims. Why were these rights ignored?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, as the Hon. Member knows, I am fully aware of the negotiations that take place between Canada and the Dene–Métis Secretariat in the Northwest Territories. As the Hon. Member should know, the routes were changed after consultation. There is still an opportunity for change if it is shown there would be animal activity that may be encroached upon by the routes.

The Hon. Member should listen and I will try to answer her question. The air routes belong to Canada. They do not belong to the Territories or to the Provinces of Saskatchewan, Alberta or British Columbia.

The Member for the New Democratic Party left the wrong impression yesterday. We have six low-level routes in Canada.

Some Hon. Members: Routes!

Mr. McKnight: There are 100 routes in the United States. Some people can question my pronunciation but they cannot question the consultation and the opportunity that was given to those people in the Northwest Territories.

* * *

EMPLOYMENT AND IMMIGRATION

SPECIAL PROGRAM SOUGHT FOR NATIONALS OF CHINA TO APPLY FOR LANDING RIGHTS

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, in the absence of the Minister of Employment and Immigration, my question is for the Secretary of State for External Affairs. Considering the several thousand young people from People's Republic of China now studying in Canada who may fear to return because of that Government's violent repression and who may wish greater assurance than extension of their visas, will the Government create a special program for nationals of the People's Republic of China in Canada as was done for Poles, Salvadorans, Iranians and others, by offering them an opportunity to apply for landing within Canada with relaxed employment criteria?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Prime Minister made it very clear a week ago I think, in Vancouver, in public comments there that we had no intention of sending students here from China back to any kind of danger in China. Pursuant to that undertaking by the Government of Canada, the federal Government has begun a series of discussions with non-governmental organizations and with provincial Governments. There will be a meeting here in Ottawa tomorrow involving the provinces, the federal Government and non-governmental organizations that will focus particularly on the situation of the students. I expect it will result in two committees being established. One is an assistance committee designed to deal primarily with financial assistance but also with other kinds of assistance. A second will be an advisory committee established for the purpose of making available advice on a wide range of questions that may come from the students of Chinese origin in Canada.

In addition, we have made it clear that any application for refugee status would be considered in a most sympathetic way.

HANDLING OF REFUGEE APPLICATIONS—HUMANITARIAN EMPHASIS URGED

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I appreciate very much the Minister's answer and I know the Chinese community will appreciate it. With regard to refugee applications, considering the danger of overloading the new system which is already overloaded, will the Minister and the Government consider asking the immigration officials to give sympathetic consideration at the front-end humanitarian review before the rest of the process is followed on a refugee application?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we will consider seriously every practical step that can be taken to ensure that we can deal expeditiously and sympathetically with applications for refugee status.

Mr. Nunziata: A supplementary, Mr. Speaker.

Mr. Speaker: I am sorry. We are already over time and I think we must conclude.

I know there are Members seeking points of order. I am aware of it and I will get to all of them. The Hon. Member for Beauce.

* * *

[*Translation*]

POINTS OF ORDER

MR. BERNIER—CLARIFICATION CONCERNING STATEMENT PURSUANT TO S. O. 31

Mr. Gilles Bernier (Beauce): Mr. Speaker, on a point of order. I wish to correct the mistake I made at 2.15 p.m. when I read my statement. I inadvertently, and I repeat, inadvertently, mentioned the name of two provinces which had not yet ratified the Meech Lake Accord. I referred to Manitoba and British Columbia, and of course I meant Manitoba and New Brunswick. This is an impardonable slip of the tongue, especially since, you Mr. Speaker, represent that particular region. I do apologize!

[*English*]

Mr. Speaker: The Hon. Member for Windsor West is rising on a point of order. However, I have another point and perhaps I could deal with it first. I will come, of

course, to the Hon. Member for Windsor West in just a moment.

The Hon. Member for Ottawa West (Mrs. Catterall).

REQUEST FOR TABLING OF DOCUMENTS REFERRED TO BY MINISTER FOR INTERNATIONAL TRADE

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I am rising on a point of order under Citation 495 of *Beauchesne's Parliamentary Rules and Forms, Sixth Edition* and I refer to yesterday's *Hansard* and to statements by the Minister for International Trade (Mr. Crosbie) in response to a question as reported at page 3019.

The Minister rose to respond to a question with a document in his hand and referred in his answer to:

> a list seven or eight pages long setting out plants that have expanded and factories that have expanded—as well as new investments that have been made because of the Free Trade Agreement.

The Minister then proceeded to quote from those documents, both names and figures. He went on to say:

> There is page after page of examples that we can give.

I believe that the Citation referred to requires that the Minister not refer to such documents unless he is prepared to lay them on the table of the House and I would ask that those documents be laid on the table. I have not looked up the specific *Hansard* references but this is perhaps the fourth or fifth time the Minister has done this. I would like to ask that in fact he table all similar documents that he has referred to in the House.

• (1510)

Mr. Crosbie: Mr. Speaker, yesterday I did indeed refer to a list which I had. It was seven or eight pages long. It set out the plants that have expanded, factories that have expanded and new investments made. I do not have it here today. I prefer not to table any such list. I prefer to drop the names out one by one, or two at a time. Why should I table all my ammunition at once just because the Hon. Member wants to have it all tabled at once?

Mr. Speaker: If the Hon. Minister has all this ammunition and he had it in a document in his hand to which he referred, then of course he must table it. If it were some other kind of note made for Question Period, that is something else. I am not particularly helped by the Hon. Minister's representations. Perhaps he could assist me further.

Mr. Crosbie: Mr. Speaker, this was information and notes that were prepared for me for Question Period. Surely I am not to be stripped naked of my notes.

Mr. Gray (Windsor West): Mr. Speaker, the rules and precedents of this House must apply to the Minister for International Trade to the same extent as they apply to anybody else. I ask you, Mr. Speaker, to apply these precedents to the Minister for International Trade.

We saw the Minister get up and read from sheets of paper. He was not using them as notes. If he has confidence in the information he was presenting in Question Period, I do not see why he would not be delighted to table these documents pursuant to the rules.

Mr. Barrett: Mr. Speaker, in support of the discussion raised around this very important point, the Minister referred directly to the documents and used the documents in response to a question. It is the right of this House to have access to those documents. Otherwise, the whole use of documents in this House will be abrogated by ministerial choice rather than rules of the House.

Some Hon. Members: Hear, hear!

Mr. Lewis: Mr. Speaker, the Hon. Minister has made it very clear that he was reading from notes prepared for use in Question Period. The Hon. Minister made good use of those notes. As he has indicated, he is under no obligation to table them. I think the House should take the word of the Minister that those were notes prepared for Question Period.

Some Hon. Members: Hear, hear!

Mr. Speaker: I am going to settle this immediately. I want to put it to the Hon. Minister very directly that if this was a document from which he was quoting, then of course it must be tabled. If it was preparatory notes for Question Period, then I do not think the rule extends that far. Could I have the Hon. Minister assure me one way or the other?

Mr. Crosbie: Mr. Speaker, these were notes prepared for Question Period so that I could answer the untruthful assertions made by Members of the Opposition.

Mr. Speaker: I am not interested in getting into further argument. The Hon. Member for Windsor West (Mr. Gray)? I hope the Hon. Member will keep in mind what I have just said. I do not want further argument. I want to know whether anybody can help me in making an appropriate procedural decision.

Mr. Gray (Windsor West): Mr. Speaker, I first of all invite you to review *Hansard* and, perhaps more important, the electronic television record and reserve judgment until you have done so.

Second, I ask you to ask the Minister to withdraw the language he just used in referring to Members of the Opposition as making untruthful statements. I think that is unparliamentary and that word should be withdrawn.

Mr. Speaker: The Hon. Minister would perhaps like to respond.

Mr. Crosbie: Mr. Speaker, the Question Period is absolutely full to the top of the barrel with completely false and untrue statements made by Members of the Opposition in introducing their questions. That is just a fact. I have nothing to withdraw about that.

Mr. Gray (Windsor West): Could he tell us about his answers too, while he is at it?

Mr. Barrett: Mr. Speaker, on this point of order, we are not discussing the relevant matters of judgment of whether or not under somebody's opinion a statement is true or untrue. We are asking that the rules of the House be applied. When you asked the Minister to give us a statement of his assurance, he went far enough to accuse the Member of saying an untruth rather than responding to your question. I think that is an offence to this House.

I would suggest the question be put again to the Minister and, hopefully, we can have a ministerial response on that basis.

Mr. Speaker: I think that perhaps the best way of dealing with this is for me to consider the matter. First of all, there has been a suggestion made that the Hon. Minister is quoting from some document. The Minister has stated very clearly that he is not quoting from any document but is quoting from notes preparatory to Question Period. As all Hon. Members know, there are all kinds of things in notes preparatory to Question Period. I will take the admonition of the Hon. Member from Windsor West, who has been here a lot longer than most of us, and I will consult *Hansard*.

On the other issue, the question comes down to this: As the Hon. Minister said, Members on the opposition side have been intentionally distorting the truth. I have some doubt about that, but I will consider what has been said. I will report back to the House as soon as I can.

Mr. Crosbie: Mr. Speaker, I do not want to cause you to have to look anything up unnecessarily. I withdraw whatever was found to be objectionable from my statement.

Some Hon. Members: Hear, hear.

Mr. Friesen: Mr. Speaker, respectfully, I never did hear you recognize the Member for Esquimalt—Juan de Fuca (Mr. Barrett) yet his mike was turned live. I wonder now if the people throwing the switches are the arbiters of who is going to be recognized.

Mr. Speaker: The Hon. Member for Surrey—White Rock (Mr. Friesen) is of course absolutely correct. By some inexplicable happening, the Hon. Member, who was of course the Premier of the Province of British Columbia, was recognized without even the Speaker of the House intervening in any way, shape, or form. I would hope that the House would be very gracious about this because I do not know how I can unrecognize the Hon. Member.

An Hon. Member: He spoke by divine intervention.

Mr. Speaker: The Hon. Member spoke of divine intervention. I cannot resist asking him whether it was from the Old Testament or the New Testament.

The Hon. Member for Windsor West.

Mr. Gray (Windsor West): Mr. Speaker, quite frankly, I want to assure the Hon. Conservative Member who worries about such things that it is obvious that I have been fully recognized by the Speaker and I deeply appreciate his courtesy.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I ask the Government House Leader if he could give us the customary statement of government business for the next several days? I realize he is working on this and there are consultations going on. However, if he is able

to, perhaps he could outline in a preliminary way some of his priorities for the next two weeks.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I wish to report that tomorrow we will resume debate on Bill C-2, the Transport Safety Bill, at report stage. There is some indication that we may complete that tomorrow. If so, we will continue with second reading of Bill C-10, Forgiveness of Debts.

Monday, we shall commence the day with debate on Bill C-15, Plant Breeders' Rights, second reading. For the balance of the day, the debate will depend upon the progress that is made in that debate and discussions between the Parties.

On Tuesday, debate will commence on Bill C-22, amendments to the Canadian Environmental Protection Act. The balance of the day will depend upon discussions between the Parties.

On Wednesday, the entire day will be devoted to resumed debate on Bill C-21, the amendments to the Unemployment Insurance Act.

• (1520)

As my hon. friend has indicated, there are discussions under way with respect to making as much progress as possible on the Order Paper by June 30. We would hope to have an agreement in the very near future as to what can be done by that time. I do not believe I am being presumptious in suggesting that Members on both sides of the House should be in contact with their House Leaders with respect to the daily agenda. We are making every effort to adjust the agenda in order to accommodate spokespersons in the opposition Parties *vis-à-vis* the Bills that we wish to move along through the Order Paper.

Ms. Copps: I understood from the government House Leader (Mr. Lewis) that Bill C-22 would be called quite early. We were under the impression that the deadline for the Montreal Protocol implementation is July 1 and the clock is ticking very quickly.

In the meantime, there are 25,000 refrigerators in Canada releasing coolants that contain CFCs which are entering the environment and killing the ozone layer. Obviously, we will want to have more than one speaker on this particular issue. We would like to co-operate with the Government, but it should have called the Bill before. The Government should bring this Bill to the House in order that we can discuss some of the devastating effects of the CFC releases that are occurring as we speak.

Mr. Lewis: We are discussing those very things with the House Leader of the Liberal Party and with the House Leader of the New Democratic Party. As I indicated in my comments, we intend to bring that particular Bill on for debate on Tuesday at 11 a.m.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY S. O. 81—WEST COAST SALMON AND HERRING INDUSTRY

The House resumed consideration of the motion of Mr. Stupich:

> That this House reaffirms the Government's pledge to the West Coast salmon and herring industry to "not allow jobs, historically established, to be threatened" by any government response to GATT rulings.

The Acting Speaker (Mrs. Champagne): When the House rose at 12.59 p.m. the Hon. Member for Cariboo—Chilcotin (Mr. Worthy) had completed his speech. The question and comment period following the Hon. Member's speech is now available to Members, otherwise the Chair is prepared to recognize Hon. Members on debate.

On questions and comments the Hon. Member for North Island—Powell River (Mr. Skelly).

Mr. Skelly (North Island—Powell River): The previous speaker listened to the Minister of Fisheries and Oceans (Mr. Siddon) state that this Government and he as Minister were not prepared to preserve uncompetitive Canadian jobs in the fishing industry. By "uncompetitive jobs", he is talking about Joyce Brown's job in Prince Rupert. She is here today. She has been a widow for the last 11 years. She has three children aged 11, 14 and 17. She works in the B.C. Packers plant in Prince Rupert. It is one of the largest and most efficient plants in the world.

The aspect of her job that the Minister sees as uncompetitive is that she works for $14 an hour. She is protected by a union agreement with safety committees and all the supporting facilities in the plant. In addition,

when she retires she will have the opportunity to receive a pension.

In order to make her job competitive, the Minister of Fisheries wants Joyce Brown and her colleagues to work for $6 an hour, which is the rate in the United States. The Minister of Fisheries wants to get rid of the union in that plant. He wants to get rid of the pension plan.

Mr. Siddon: Who said that?

Mr. Skelly (North Island—Powell River): Those are the consequences of sending those fish to the United States.

The clarification I would like from the previous speaker is that he will stand up with Joyce Brown and the other women who work in that plant, who are here today attempting to protect their jobs from the actions of the Minister of Fisheries and this Government, and state that he is not prepared to see those fish go across the line, and not prepared to see Joyce Brown and her fellow workers out on the street.

The Government and the Minister have cut back the unemployment insurance benefits. When the fishing season is over, she will not be able to qualify for unemployment insurance.

Mr. Friesen: That is wrong, and you know it is wrong.

Mr. Skelly (North Island—Powell River): She will wind up on welfare with her three kids because of what the Minister has done. She is standing up here today in Ottawa saying: "Please don't do this to me and my kids, and please don't do this to the community".

Mr. Friesen: You know that is wrong.

Mr. Crosbie: You are a damn liar.

Mr. Skelly (North Island—Powell River): The Prince Rupert Chamber of Commerce has stated the equivalent thing in a brief. Is the Member prepared to stand up with NDP Members, stand up with the UFAW members and state that these jobs are competitive and effective in preserving and raising families in those communities? Would the Hon. Member be prepared to stand alongside those women, or is he going to listen to the balderdash spread by the Minister of Fisheries and the rest of the Cabinet Ministers in this Government?

Mr. Worthy: I sure will stand up with those women. Some of the members from Prince Rupert spent the lunch hour with me. It is not this Government they have to be concerned about when it comes to their jobs. I think the Hon. Member is old enough to remember the time when his colleague was leading British Columbia back in 1974, and he should understand what real concern about jobs is all about.

The Hon. Member referred to the ladies from Prince Rupert. I know they are here and that they have real concerns. People from all departments of the Government have been listening to those concerns. Every one of those people have stated that they are competitive, that they have the best quality fish in the world. Yesterday, the Hon. Member's colleague yelled across the floor at me in the Standing Committee that our industry in British Columbia is the best in the world. If the Hon. Member really believes that, he will know that it is going to be competitive.

The quality of our fish is the best in the world. Our workers are the best in the world. The industry recognizes that it can afford to pay the wages the workers have and still be competitive. While we do listen to them, and we are concerned for the jobs of all people from British Columbia, in fact across Canada, I do not accept that the people in our industry cannot be competitive with people around the world.

The Hon. Member knows that 75 per cent to 80 per cent of all of the salmon that those workers process is exported to other countries around the world. I do not accept what the Hon. Member states, but I certainly will stand up with the workers any day the Hon. Member asks.

Mr. Friesen: We have just heard from the Member for Comox about job loss in the fishing industry.

Mr. Skelly (North Island—Powell River): Correction. This guy can't get his facts right on any given day. It is North Island—Powell River.

Mr. Friesen: I apologize, Comox—Powell River.

Mr. Crosbie: He is just as obnoxious under either name.

Mr. Friesen: I do want to put on the record what is going on in the fishing industry. If the Hon. Member wants to talk about job loss, I suggest he looks at the statistics.

In British Columbia for the fish processing industry shore workers in 1984 there were 2,972 jobs. In 1985 there were 3,695 jobs. In 1986 there were 3,788 jobs. In 1987 there were 3,746 jobs. In 1988 there were 4,051 jobs. That is an increase of approximately 33 per cent in jobs in a matter of four years. The Hon. Member from Comox has the nerve to talk about job losses in the fishing industry.

Mr. Skelly (North Island—Powell River): Thelma Peterson is here from Prince Rupert. She works in the fish plant.

Mr. Siddon: She has a job.

Mr. Skelly (North Island—Powell River): She has a job, but the reason she is here in Ottawa is that her job is threatened. They are already trucking fish out of Prince Rupert. Her husband is disabled and she is the sole support of her family. What we have is the Minister of Fisheries and Oceans (Mr. Siddon) putting her job out in the cold.

• (1530)

Mr. Siddon: She has a job.

Mr. Skelly (North Island—Powell River): This Government, by increasing the qualifying period for unemployment insurance, is going to ensure that Thelma Peterson and her colleagues are not going to be able to qualify for unemployment insurance. Those who are lucky enough to qualify will get reduced weekly benefits.

I want to ask the Member to stand up again with these women and say that he is not prepared to see them lose their unemployment insurance and still be the sole support of their families—in this case a woman with a disabled husband and in the other case, a single parent with three kids—say that he is not prepared to see them go on welfare. Is the Member prepared to stand up and say to this Government that the unemployment insurance proposals stink, that they are harmful for those people,and he is not prepared to see itimpose regulations that would allow that fish to be trucked for processing in the United States. Fish is already being trucked from Prince Rupert to the State of Washington. Those trucks are going by their plant full of fish down to the State of Washington already.

I would ask the Member to stand up and declare that he is not in favour of those unemployment regulations, that he is not in favour of the regulations put in by the Minister of Fisheries that will cost them their job, cost them unemployment insurance access and do irreparable harm to the community. The Prince Rupert Chamber of Commerce echoes these exact words. Why is the Member not listening?

Mr. Worthy: Madam Speaker, I am listening and the Government is listening. I can assure the Hon. Member these people he refers to will be far further ahead with this Government. They do not want a lot more unemployment insurance. They want meaningful work. They want more and better jobs. They know that they will get that through this Government. There are examples in the fishing industry, the industry of the people who are here visiting us this week. As they have explained it, they have untold tonnes of groundfish and whitefish that never get inside the plant doors. They want to see that fish and those jobs in British Columbia. There are salmon that are being plundered on the high seas that belong to British Columbia. It is those jobs that they want to see in British Columbia and on our coast. It is the tens and hundreds of millions of dollars being poured into the salmonid programs by this Government that will bring more fish back to those shores. It is those jobs that they want on their coast.

The Acting Speaker (Mrs. Champagne): The period for question and comment is now over. Resuming debate.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Madam Speaker, as I believe you have agreed, we in the Official Opposition have agreed to divide our time into two periods of 10 and 5 versus one of 20 and 10.

I am very pleased to rise and speak on this motion today to protect the west coast of Canada jobs related to the herring and the salmon industry. This motion has to do with free trade, and it has to do with the fisheries.

Mr. Crosbie: It has nothing to do with free trade. What bunk.

Mr. Mifflin: Since the passage of the Free Trade Agreement, the policy on trade is reasonably clear, if not the consequences. I wish I could say the same for the fisheries policy. If I were to ask what is the fisheries policy of Canada today, I wonder who would answer for the Government. Would it be the Minister of Fisheries and Oceans (Mr. Siddon) or would it be the Minister for International Trade (Mr. Crosbie)? That question is more than rhetoric because I have sat in this House and I have observed the policy questions on the fishery go back

and forth like a political tennis ball. No wonder the policy is not clear.

Today we are discussing the situation in which the Conservative Government surrendered to demands by the United States under the GATT rules for virtually unrestricted access to processed Canadian salmon and herring. These new rules, conceded on April 26 of this year, invalidated long-standing rules prohibiting the export of unprocessed salmon and herring. They require now only that fish be deposited at a designated landing station for counting prior to export. In the short term these changes threaten the loss of thousands of jobs in the processing sector in British Columbia. In the longer term they create a dangerous precedent that could signal the undermining of Canada's ability to manage and conserve valuable fisheries resources.

As if that were not enough, even this bold move was unsatisfactory to the United States Government. It threatened massive retaliation under U.S. trade laws unless Canada would guarantee that our fish could be purchased by the U.S. without it touching Canadian soil. What happened then? This Government, apparently frightened by the prospect of what Big Brother would do, offered to send even this vastly conceded issue to arbitration under the dispute mechanism of the Free Trade Agreement.

Mr. Crosbie: It has not got to arbitration. Get your facts straight.

Mr. Mifflin: It is going to arbitration, and the tricky part here is that the arbitrators must determine whether or not the rule changes are consistent with U.S. law, not Canadian law.

Mr. Crosbie: My God, you are mixed up. This is absolute madness.

Mr. Mifflin: Not international law, but U.S. law. More and more we are being made to look like second-class citizens in our own country. That is not a very good feeling as we prepare to celebrate Canada Day with our friends and family across this country.

Now despite the many guarantees that were given on free trade during the election campaign, there is a major implication for the East Coast fishery. Now that the U.S. has successfully challenged Canadian restrictions on the export of unprocessed fish from the West Coast, the logical next step for them would be to challenge the same type of Canadian restriction on the export of unprocessed fish from the East Coast. Whether this is because of trade policies or fisheries policies, it does not matter. Canadian fishery workers are being adversely affected by external forces, something over which this Government, any sovereign Government should have control.

I submit that just as the goal of Canada's defence policy should be to protect Canada and the interest and well-being of all Canadians, so should a fisheries policy be designed clearly and unequivocally first and foremost to protect fishermen and all those Canadians involved in the fishing industry. It is an industry that represents billions of dollars and an industry the scope and significance of which reflects Canada being the world's largest exporter of fish.

I could not believe my ears this morning when the Hon. Minister of Fisheries and Oceans suggested that we were small time on the world scale. We are the world's largest exporter of fish. No wonder we are in so much trouble. Does our present policy protect fishermen? That is the key question. I have just indicated what it will do to B.C. fishermen. What will it do to East Coast fishermen, to Newfoundland fishermen? Ask a fisherman in Bonavista Bay, Trinity Bay or Conception Bay. They wake up every morning and here is what they see. They see, first of all, signs of mismanagement. They see a giveaway of a portion of the northern cod stock in order to entice France to submit the St-Pierre and Miquelon fishing boundaries dispute to binding international arbitration just like the giveaway of processing jobs in British Columbia to the United States.

To add insult to injury, factory trawlers registered in France are harassing Newfoundlanders and their longliners and they are destroying their gear in their own economic zone. They see the hope given in the 1982 Kirby Report for a total allowable catch of 400,000 tonnes reduced to a 1988 level of 255,000 tonnes. A recent recommendation by federal scientists, confirmed by a blue ribbon panel, is that the 1989 catch is going to be further reduced to 125,000 tonnes. I regret to say this, but there are signs of worse to come.

What else do these fishermen see? They see over-fishing by other foreigners, especially the Spanish and the Portuguese. In 1986, when Spain and Portugal joined the European community, the North Atlantic Fisheries Organization, NAFO, allocated 23,200 tonnes to the European community, but the community unilaterally set their own quota of 102,000 tonnes. Then they went away and took 171,000 tonnes. Similarly in 1987, NAFO gave the community 23,000 tonnes. They gave themselves 110,000 tonnes and then they took 140,000 tonnes. They give themselves five times the allocation and then go off to catch seven times the allocation.

• (1540)

Stemming from this mismanagement, with the acknowledgement of the serious depletion of northern cod stocks, they see the possibility of an ecological disaster, one that will not only wreck the economy of Newfoundland but one that will savage communities in Nova Scotia and will affect seriously the coastal communities of New Brunswick and Prince Edward Island.

Furthermore, with the announcement of the Government to retire the venerable tracker fleet as part of the CFB Summerside shutdown, they see a cut-back in surveillance and control so crucial to police these waters and the 250 floating trawler fish plants in our own inshore and offshore economic zone. These aircraft provide 800 of the 900 flying hours of fisheries surveillance in the Atlantic. Given the mismanagement and the ecological catastrophe issues that we are facing, there should be at least a reasonable expectation of the opposite.

They see the loss of jobs despite what has been said here. There are 65,000 registered fishermen in Atlantic Canada and 30,000 plant workers in 900 plants.

There are 14,000 people employed in the B.C. fish harvesting and processing industry. These jobs, as we see here today, are being seriously jeopardized.

There is something else that we see. We see band-aid regulations and policies, perhaps well intentioned, but these policies confuse and anger our fishermen. I want to give you one example, Madam Speaker.

We have in Newfoundland a new crab closure policy for the Newfoundland region which came into effect on January 31 this year. In all fairness to the Department and its officials, the objective of this new policy was to ensure uniformity of closures throughout all districts and to reduce the risk of quota overruns. The new policy stated that at midnight on the pre-announced closure date, no crab would be permitted to be landed. That is to say that if there was any crab found in the crab pots, they had to be left in the ocean. They could not be retained.

The key to making this procedure work was that ample warning time be given to the fishermen. Ample time depends on a number of things, such as the number of traps set, the size of the vessel and weather conditions, all individually variable and variable as a combination. What might be acceptable to a 65-footer with 800 traps over a calm period would clearly not be ample for a 40-footer in rough weather with a different number of traps.

The end result in Bonavista Bay last week was that the time given was such that when the quota was reached and the closure was announced, many fishermen did not have sufficient time to clear their pots and return their catch for processing ashore. They had to dump them instead. We have a situation in which the crab were caught but the fishermen had to get up in the middle of the night, steam out, haul their pots, return the crab to the ocean and come back without their catch. They were angry and upset. I think they had every reason to be so. Under the conditions and with the new policy in force more warning time was needed.

Are these policies protecting our fishermen? They do not think so. Quite frankly, I do not think so. I am sure that there are Members in the House on this side and opposite who do not think so either. These fishermen are honest, hard-working and trusting people. I believe they have been let down by the Government. They would certainly not agree with the Minister of Fisheries and Oceans that they never had it so good.

I could go on relating these ills from now until the House shuts down on June 30, if it closes down then. Fishermen have to cope with an awful lot. However, I do not want to look backward. Life is interesting looking backward but, unfortunately, it has to be lived forward.

What we need is an overhaul of our fisheries policy that will offer protection for fishermen. Plainly and simply, we need a fisheries policy that will guarantee jobs for our fishermen and our plant workers. We need to raise the profile of the fishing industry so that it becomes an issue of national importance and concern. Finally, we need accompanying and foreign policies that will imple-

ment and support our fisheries policies, ones that will make our industry healthy, viable and vibrant.

As a Member hailing from a riding so predominantly dependent on the fishery, I strongly support this motion that this House reaffirms the Government's pledge to the West Coast salmon and herring industry not to allow jobs historically established to be threatened by any government response to GATT rulings.

Mr. Crosbie: I thought that this was a debate about the West Coast salmon and herring industry. The hon. gentleman opposite spent all his time talking about the fishery on the East Coast. These two fisheries are some 3,000 miles apart. If the hon. gentleman knows as much about the West Coast fishery as he knows about the East Coast fishery, God help us.

When I get to my own remarks I will expand on this issue. The dispute about the salmon and herring regulations on the West Coast of Canada has absolutely nothing to do with the Free Trade Agreement. It was a complaint initiated in 1986. It was a complaint brought under the General Agreement on Tariffs and Trade, not brought under American legislation or under the Free Trade Agreement, which did not then exist.

This is a dispute about what the GATT international trading rules mean or do not mean in relation to certain regulations. When this matter goes, by the way, to a panel under the Canada–U.S. Free Trade Agreement, the panel is not going to consider American law at all. American law does not come into the matter. It will not be considered.

What the panel will be considering is Chapter 18. It will examine the consistency of Canada's landing requirements for Pacific salmon and herring with our obligations under the GATT. That is what it will be examining.

The hon. gentleman referred to the protection of fishermen. I will be able to elaborate on this in my own remarks. I want to point out to him that if Canada ignores the results of the GATT panel with reference to these regulations on the West Coast of Canada, the United States would be justified under the GATT in taking retaliatory action against Canada. Whatever the amount of the trade damage was that it had suffered as a result of our continuing with regulations that were GATT inconsistent and damaging it, it could take counter measures against Canadian exports to the United States. The Americans could choose whatever Canadian exports they like to take those counter retaliatory measures against. They might well choose to counter retaliate against East Coast fishery products—lobster from the East Coast, or cod, or whatever. I would like to hear what the hon. gentleman would be saying about the situation because Canada ignored a GATT panel decision, and his own fishermen on the East Coast were injured as a result. I would like to hear what the hon. gentleman would then say about that particular situation.

The Acting Speaker (Mrs. Champagne): Order, please. As this is a five-minute period of questions and comments perhaps the Hon. Minister would allow the Hon. Member some time for rebuttal on what the Minister has already said.

Mr. Mifflin: Madam Speaker, I do not really think that there is much to rebut. I thank my hon. friend across the floor for his comment on my knowledge of the fishing industry. I have to remind him that I grew up in a family that had been in the fishing business for seven generations. I am sure the Minister would agree that some of this has to rub off on one at some time.

The one question or query I have in my mind is this. It is still not clear to me, as I am sure is not clear to Members over here, and members of the NDP, precisely why we had to go to a dispute settlement mechanism after we agreed under the GATT that something should have been done anyway.

We are adding insult to injury. It is no wonder that these people are upset. I say once more, I more strongly support this motion the more I hear from Members opposite.

The Acting Speaker (Mrs. Champagne): Resuming debate with the Hon. Member for Burin—St. George's.

Mr. Crosbie: More repetition.

Hon. Roger C. Simmons (Burin—St. George's): Madam Speaker, I say to my friend from St. John's West, we will see whether it is repetition or not. I will let him

decide. He has the opportunity to follow me, I would think. I look forward to hearing what he has to say.

First, I want to congratulate the hon. gentleman from Nanaimo—Cowichan for bringing this motion forward, and for putting it down in such eloquent terms. For the eloquence he cannot take all the credit, I say to him. The eloquence actually belongs to another Member of this Chamber. We ought to give credit where it is due. The eloquence is that of the gentleman who happens right now to be the Minister of Fisheries (Mr. Siddon). The words are largely his. It was he who said first that the Government would "not allow jobs, historically established, to be threatened" by government actions.

• (1550)

Those were his words, Madam Speaker. I congratulate my friend for Nanaimo—Cowichan for putting down this resolution in words which are clearly going to be acceptable, certainly to the Minister of Fisheries and Oceans (Mr. Siddon). If there ever was a motherhood resolution, this has to be it. It calls upon the House to reaffirm the Government's pledge not to allow the salmon and herring industry to be threatened by any Government response to GATT rulings. I would expect that the entire Government would want to support that particular resolution. I do.

I would like to state in the next few minutes why I do. I have had some visits, as I am sure many Members have had in the past few days, from people who have come all the way from Prince Rupert and from other parts of British Columbia to acquaint us with some of the details of the situation which they face. I represent a fishing constituency which I believe is the largest one in the country in terms of numbers of persons who depend on employment in the fishery, either in catching the resource or processing the resource. There are 16,000 such persons in Burin—St. George's. I claim to represent the largest fishing riding in all of Canada.

I found common cause when I heard those people from Prince Rupert and other parts of British Columbia, and when I saw the thoroughness with which they had prepared their case. I believe many Members of the House will be familiar with this particular document, an appeal to Canadians, which I hold here. Also for the edification of the gentleman who is the Minister of Fisheries, I will quote some more of his words. On November 17, 1987, he said that: "I give you my assurance that those jobs are safe." Of course, he was talking about the jobs in B.C. which are very much the subject of this motion today. "I give you my assurance that those jobs are safe." That was November 17, 1987.

By May 3, 1989, a month or so ago, he was saying something quite different: "I have never said the specific jobs would remain intact." I submit that these are two completely mutually exclusive statements. He either means one or the other. He cannot mean both unless the gears are changed along the way. Clearly, that is what has happened in this particular case. The people who prepared this brochure are quite justified in labelling that part of their brochure the betrayal of an industry.

Had I the time, Madam Speaker, I could talk to you at some length about the betrayal of the fishing industry on the East Coast. However, today, let us stay for a moment with the West Coast. Before we do, let us go to a gentleman from South Shore in whose riding is located the fish plant at Lockeport. He has said quite recently, less than a month ago, on May 16 that: "We are exporting 1,000 jobs a year from Nova Scotia along with our roundfish". That was from a Member in the same Party as the Minister of Fisheries, who lauded his Government today and the administration which he is part of, for how it was getting the best dollar, in his words, how he was seeing to it single-handedly that we were encouraging further processing. I have to say to him, that is not at all what the figures say.

I have this fresh from Statistics Canada just a few minutes ago and it states that in 1988, our primary export in the fishery—that is to say whole, dressed, fillets and blocks—last year for all of Canada 371.9 thousand metric tons. That is the figure to keep in mind. If we compare that to the exports we did in the fishing industry after secondary processing had been affected, that is, smoked, cured, salted, canned and so on, the figure is 204.9 thousand metric tons, or a ratio of approximately two to one. We are still exporting essentially in the unprocessed form two-thirds of all the fish we catch in this country.

Why the Minister of Fisheries can stand there and brag about that escapes me completely. He said something else that needs just a quick rebuttal. He said, and I copied his words down this morning: "Canada is near the top as a competitive nation." He said we are way down from No. 11 and now near the top. I agree with him on one thing. We are way down. I will tell him how far down now. I have this from the World Bank in its latest economic atlas, which compares growth rates for the 1980 to 1987 period. The World Bank states that Canada does not stand first or second, as the Minister is saying, and as the Minister for Consumer and Corporate Affairs

(Mr. Valcourt) has been saying recently. It does not stand first and second at all.

Here is what the World Bank says. That is the organization that my good friend from St. John's West is going to— I want to be the first to predict this publicly— when he leaves here, which is sooner than a lot of people think. He has got his mind essentially made up, he is going to the World Bank. I believe that he will be the new president of the World Bank. He will then have to espouse those very figures. I say to him today: "Tread softly. Don't do anything and don't say anything which might turn off your prospective employers a year or two down the road." The World Bank stated that: Canada is not in the first or second in terms of growth. In the last eight years, it actually stands forty-sixth. Forty-five countries have managed to grow faster than Canada in the past seven or eight years.

An Hon. Member: What are the names?

Mr. Simmons: Oh, you want some. West Germany, Japan. The Minister wants some more. There are 45. That is not bad.

Nor is Canada at the top of the league among the industrialized countries. *The Economist of London*, the great right-wing Conservative publication which my friend from Toronto and from St. John's sleep with every night, has the following to say on the subject. It compares the performance of 13 industrialized nations. In the past year, industrial production in Canada has been the second slowest growing of all the 13 industrialized nations in their grouping, underwhelmed only by Great Britain. All the rest, United States, Sweden, West Germany and the others grew faster.

I realize that I do not have very much time left. The Government would do well to adopt just a little bit of ordinary down-to-earth common sense on this particular issue. It would do well to take the advice of those people from Prince Rupert, and the people from my riding in Burgeo, Fortune, Grand Bank and Marystown. They are saying the following to the Government of Canada: One, implement regulations which would ensure Canadian needs for fish are met before any fish is allowed to leave the country unprocessed.

Two, take steps to halt the foreign overfishing of Canadian stocks. The people in my riding know all about the devastating impact the give-away is having on their fishing activity and their opportunity for jobs in the fish plant.

Three, increase spending for the conservation and protection of fish resource and, four, an immediate relief program for shore workers, plant workers and fishermen.

Why does the Government not take some of that common sense advice from the people who are there who know full well what the real problem is. Why is it that the Minister wants to suggest that the whole world is wrong except him? What about his people in B.C. and the Fisheries Council? Are they so wrong when they say: "The response of the Government of Canada to the GATT case paid scant attention to legitimate and long-standing national economic policy." Is he telling his own people they are wrong when they go on to say: "Worse, this case threatens to undermine the potential of the industry to contribute to a strengthening of the economy of British Columbia so that there is full utilization of our natural resources.

• (1600)

Let me close up with this plea to the Minister from British Columbia. Why does he not get off his high horse and stop mouthing every last syllable that the Prime Minister and the people who are orchestrating things for him tell him to say. Why does he not sit down with the people of Prince Rupert, with the fishery council, with the UFFAW and talk to them? Maybe they will knock some sense into his head so that he does not make such a fool of himself when he rises in this Chamber to talk about fish.

Ms. Langan: Madam Speaker, I am glad the Hon. Member raised the question of comments made by the Minister of Fisheries and Oceans (Mr. Siddon). When I listened to the Minister's speech earlier today, I was quite surprised by it and I wish that the Hon. Member

had commented on some of the things that were said. I will ask him to do so now.

The Minister said that it would be kind of silly to truck fish on ice to the United States, yet there is already fish on ice being trucked from Prince Rupert to Washington State as we speak. The Minister also said that Canada is a small producer and he mentioned that it produced 20 per cent of the world's fish. Canada's population is only 0.5 per cent of the world's population and we produce 20 per cent of its fish. Does that make us a small producer?

The Minister said that industry wants to go to Alaska to buy fish. However, the Fisheries Council of B.C. met with the standing committee on Tuesday and in fact said just the opposite. The Minister said we were on the rails to prosperity. With the direction in which this Government is taking us, we will not have any rails. I suspect a better assertion would be that this country is on its way to the ropes.

Mr. Boyer: Madam Speaker, I rise on a point of order. I hesitate to interrupt the Hon. Member while she is making her points—

An Hon. Member: Then why do it?

Mr. Boyer: The reason I do it, in answer to her colleague, is I believe we are now in the period allowed for comments and questions relating to the previous speaker, a Member from Newfoundland, but we have been hearing comments on statements made by the Minister.

The Acting Speaker (Mrs. Champagne): I would like to ask the Hon. Member for Mission—Coquitlam (Ms. Langan), the way I asked the Minister, to please allow time for the Hon. Member who just spoke to have his say after she has made her comments. I remind her that this is a five minute question and comment period.

Ms. Langan: Madam Speaker, that was one of many questions I was asking the Hon. Member to comment on, and *Hansard* will show that I prefaced my remarks by asking the Hon. Member if he would comment on the statements made by the Minister earlier today.

Mr. Simmons: Madam Speaker, I thank my friend from Mission—Coquitlam for her comments and her question and I would be delighted to make a comment. By way of explanation, my friend from Bonavista—Trinity—Conception has spent some time talking about the Minister's very asinine statement about Canada being a small producer.

Mr. Siddon: I didn't say that.

Mr. Simmons: I listened to the Minister and he said that, using those words exactly. I have it in front of me and I ask him to deny this when he receives *Hansard.* He said, "We are only a small producer".

If we are the largest fish exporter in the entire world, we are hardly small. If we are producing 20 per cent of the total output, that is hardly small. We produce 20 per cent of the world's fish, one in five, 20 per cent, 20 per cent. Has the Minister got it? One fifth of all the fish output in the world is produced in Canada and the Minister has the gall, or should I say kindly the ignorance, to stand there and say that that is small.

Mr. Siddon: Madam Speaker, I rise on a point of order. I do not think it is in accordance with the orders of this House for Members to take points totally out of context without interpreting what was actually said in that—

The Acting Speaker (Mrs. Champagne): The Hon. Minister may have been raising a point of debate but it is not a point of order. There will be one minute left for the Hon. Member to continue.

Mr. Simmons: Madam Speaker, I would ask my energetic friends in the NDP not to get overly excited. We may have an opportunity here that we should not miss. Perhaps the Minister is really saying with his spurious point of order that on reflection, he is wrong. Does the Minister deny that he said that we are only a small producer? He wants to dance about context. I would give him an opportunity to dance all he wants if he would retract one thing, if he would say, "I was wrong, we are not a small producer, we are the largest fish exporter in the world". That is true and he admits that.

We want in the Ministry of Fisheries and Oceans a man who will beat his breast for the fishing industry of Canada, not a man who goes around minimizing our magnificent effort in the fishing industry.

Hon. John C. Crosbie (Minister for International Trade): Madam Speaker, I would like to address the resolution about the situation with the West coast salmon and herring industry because this is a serious problem that affects a large number of people. It is a problem to which, since I became Minister for International Trade, I have devoted a tremendous amount of

time and a lot of concern together with the Minister of Fisheries and Oceans (Mr. Siddon) and his Department.

Why is this an issue that gives us so much difficulty? In the fist place, we want to ensure that the fishermen and fish plant workers of British Columbia retain their jobs and continue to prosper. We see their concern by the fact that a delegation of 40-odd of them came from British Columbia this week to demonstrate their concern in Ottawa. We are concerned about that too, and we are also concerned with the place of Canada in the world. We are concerned that Canada, whose life blood is trade, continues to have the opportunity to gather wealth from trade with the rest of the world. I believe that something like 30 per cent to 35 per cent of the total Gross National Product of Canada comes from our trade with the rest of the world.

We are a small to medium-sized country. We are not one of the world's powerful countries in a military sense. All very large, small and medium-sized countries have to depend upon the world trading system and the international trading rules contained in the GATT to protect them and their trade. If we are not prepared to observe those principles ourselves, we are throwing ourselves to the wolves. When we get thrown to the wolves, it is the medium-sized and the small that will be harmed. That is why the Uruguay Round of the MTN is so important and that is why it is so important that we observe any GATT panel rulings that find against us with respect to whether or not we are observing fair and proper international trade rules.

Why is this so important to the fishery? The figures for the total amount of fish landed in Canada may have been given earlier, and 80 per cent of all the fish landed in Canada is exported. If we do not observe the rules with reference to fishing and fish processing in our own country, what will happen to the 80 per cent of the fish that we export elsewhere in the world? If we do not observe a GATT panel report the U.S. gained when it complained about us with the U.S. being our main market for fish, how can we defend ourselves if the United States wants to take retaliatory action against us in the fishing environment?

An Hon. Member: Five million bucks.

Mr. Crosbie: We do not not know if it is five million bucks or how many bucks it is. We do not know what kind of retaliatory action they may take. It may be tens of millions or it may be 20 million or 100 million. We do not know what retaliatory action they might take.

We exported $2.67 billion worth of fish to the world in 1988 and $1.4 billion worth of that went to the United States, $600 million worth to Japan and $437 million worth to the European Community. That is what we have to keep in mind when we are dealing with this GATT panel ruling. We cannot just say we are going to ignore the rest of the world, we are going to ignore GATT panel rulings, we are going to ignore the fact that these regulations we had in place are clearly contrary to the GATT because they are protective, because they are against the rules of fair trade and free trade. Are we are going to ignore all of that and keep these rules in place?

• (1610)

Mr. Fulton: Why did you send Mickey Mouse to Geneva?

Mr. Crosbie: And then have the Americans say to us, when we complain about the U.S. to GATT and get a panel report, that they will ignore GATT panel reports in our favour. If that is the game the New Democratic Party wants to play, let them sell it to the people of Canada, get into power and see where we will be after five years of their administration with that kind of law of the jungle in trade rules. That is the back rub.

What was the dispute? By the way, talking about fishermen, why do you not listen for a change?

Mr. Skelly (North Island—Powell River): I am from North Island.

Mr. Crosbie: You don't make any sense. You are too darned ignorant to listen to anyone else who wants to make a case. Now, pipe down and listen. Do the people who came here and travelled a couple of thousand miles the courtesy of allowing them to listen to my point of view instead of making such an ignorant noise over there.

Let us look at the position of fish processors and fishermen. The figures were given here earlier today. In 1984, when we came into office, there were 17,187 fishermen in B.C. Today, there are 20,613 fishermen. In B.C. in 1984, there were 2,972 fish processing workers. Today there are 4,051. That will show you what is happening to the fishing industry under our government. In Canada the figures are just as favourable; 84,038

fishermen in 1984, 93,551 today. There were 24,372 plant workers in 1984 and 29,253 today. The NDP does not have any monopoly on worrying about people or fish processing workers or fishermen. I was worrying about them and looking after them 20 years ago before that motley crew ever got into this House. That is why fishermen and fish processing workers have been electing me, Madam Speaker, for 20 years and will elect me, I hope, for another 20 years if I go before them. They know that I have their interests at heart, that I am not out just trying to bluff them about their jobs.

I am not out trying to worry them about their jobs like the motley crew opposite, because there has not been one of them who lost their job yet. That is a fact, Madam Speaker. Not one fish processing worker has lost his job in British Columbia yet. But you are filling the workers with alarm and trying to scare them to keep them in your camp, to bluff them and to fool them. Well, Madam Speaker, we are here today to clear their minds for them.

This situation does not affect fishermen at all. The fishermen of British Columbia will still be catching the salmon and herring. This is an issue that might affect most fish processing workers, not the fishermen.

Mr. Simmons: You have got it finally.

Mr. Skelly (North Island—Powell River): It is time you woke up.

Mr. Crosbie: How does this situation arise? In April, 1986, the U.S. filed a petition under Section 301 of the U.S. Trade Act complaining about an unfair trading practice in Canada. The complaint was that while Canadian fish processors were buying significant quantities of unprocessed Alaskan salmon and herring, U.S. processors were denied any access to unprocessed salmon and herring from British Columbia. That is their complaint. Surely, the Americans have the right to complain about that. We Canadians can buy their unprocessed salmon from Alaska and their unprocessed herring. But they could not come here. That was their complaint.

Regulations under our Fisheries Act prohibited the export of Pacific sockeye, pink salmon and herring unless it was processed in a federally certified plant in British Columbia.

Mr. Fulton: Since 1903.

Mr. Crosbie: Other species such as coho, chinook and chum were not subject to those regulations. In the past we have bought as much as 15 per cent of the salmon processed in British Columbia from Alaska fishermen and as much as 8 per cent of the herring processed in British Columbia was imported from Alaska.

Mr. Skelly (Comox—Alberni): Surplus.

Mr. Crosbie: That is why the Americans were complaining. The Americans were saying "What's sauce for the goose should be sauce for the gander and if you won't allow us to buy your salmon and herring then we are going to make a complaint to the GATT". Long before we got to the Free Trade Agreement which was signed in December, 1988, in November, 1987 the GATT panel made its findings. What were its findings? That our export restrictions were inconsistent with the GATT because the measures were primarily trade restrictive rather than conservation or marketing measures. If we kept those regulations in effect, then the United States is entitled to retaliate against Canada for whatever the Americans say is the amount of the damages they have been suffering. They will retaliate against Canadian exports to the United States and it will cost Canadians—we don't know what Canadians—it will cost other Canadians $20 million, $10 million, $100 million because we would not observe the GATT panel report.

The hon. gentlemen over here say "We don't care about other Canadians. We don't care who gets hurt if we ignore this panel. We don't give a darn about anyone else. Go ahead and ignore the panel, ignore the trade law of the world, give Canada a bad reputation. Go ahead and do all that". You say "We do not give a damn who suffers, but we do not want these regulations changed in British Columbia". That is the alternative of the New Democratic Party and a pretty despicable alternative it is. Completely irresponsible, Madam

Speaker. This is a Party that says it believes in the GATT, that it is a supporter of the GATT. The New Democrats did not want a free trade deal with the United States. They supported the GATT. The Liberal Party supported the GATT.

The Hon. Member for Winnipeg South Centre (Mr. Axworthy) on March 21 said this: "I would like to underline and reinforce the strong and important commitment that this country has to the international trading system and in particular to GATT and to endorse the spirit that the development and enhancement of the international trading system are essential to our own economic and international progress". That is the statement. That is the policy of the Liberal Party. The Liberals are for the GATT except when a chance arises of making some political mischief. Then they are not for the GATT. Then they want to be for the rat, or to be for something that causes the Government trouble instead of helping with the solution. They want to worsen the problem. That is the NDP and that is the Liberal Party. They are for the GATT until it means something, until they can make political mischief and then they are no longer for the GATT, and we hear nothing more about the GATT.

Mr. Fulton: What about the right to get fish?

Mr. Crosbie: The GATT panel made its finding. We considered the matter and negotiated with the United States for a number of months. On March 22, 1988 we announced our intention to remove the GATT inconsistent measures and to replace them with measures that would be GATT consistent. That is what we have done. We have had a series of consultations with the industry, with the union and with the British Columbia Government. We have had meeting after meeting in devising a new set of landing regulations that will act to help in the proper management and conservation of the B.C. salmon and herring stocks.

The main purpose of these regulations is to better manage the B.C. salmon stocks and to ensure conservation. No one can sell over the side. Everyone is required to land as of late in April when the new regulations were passed. You have to land your fish at an approved landing station. The fish had to go through, be observed, measured, and certain biological tests and checks had to be done so that we have the proper information to manage and conserve the B.C. salmon stocks. After that has happened, anyone who wants to buy the salmon can buy it.

By the way, one has to assume it is a bit better for the B.C. fishermen. The more competition there is to buy their fish the better it is for them. One has to assume that the Alaskan fishermen are not complaining because Canadian buyers can buy Alaska salmon or that Canadians can buy Alaska herring. The more competition for the fish the better the price. But here are these great NDPers over here, how they love the fishermen, how they want to protect the fishermen. They do not even see any conflict of interest in what they are doing and saying here. There is a conflict of interest between the interests of the fishermen and the interests of the fish processing workers which the New Democrats do not even pretend to notice.

• (1620)

During 1988, we had consultation between the Department of Fisheries and Oceans and the B.C. industry union and the provincial government. Then on March 29, the U.S. trade representative told us that even our new proposed regulations are considered to be unfair trading practices. So on April 25, we revoked the old regulations because they are clearly trade restrictive and inconsistent with the GATT. We put in place the new landing requirements for Pacific salmon and herring.

We believe that given a chance, this system will help ensure good management and quality of B.C. salmon. Incidentally, it will also be helpful to those who are worried about the B.C. processing industry.

We are getting no help from the NDP Members. None whatsoever. They are not giving us any ammunition to support these new landing regulations. No. They are giving all the ammunition to the United States people who are going to appear before the GATT panel. They are going to have all the protectionist statements of the NDP Members from British Columbia to use as evidence before the panel. They do not care if they help the Americans. All they care about is trying to score a few cheap political points in this House. They do not care about the good of the fish processing workers. They do not care about the fishermen. They do not care about anything but trying to skulldug themselves into power.

Some Hon. Members: Shame!

Mr. Crosbie: On May 23, 1989, the U.S. requested a dispute settlement panel be established under Chapter 18 of the Free Trade Agreement. That panel is going to examine the consistency of these landing requirements with our obligations under the GATT. That is the question. We are lucky enough to have three Canadian members on that panel. We have two Canadian nominees to the panel and two Americans nominees. They could not agree on a chairman. They had to choose a chairman by lot. The chairman is going to be another Canadian, the dean of the law school here in Ottawa who formerly taught out at UBC, I believe, the University of British Columbia. So we have a Canadian chairman on this panel, two Canadian members and two American members. They will do their job in accordance with international trade rules and they will examine the system to see whether they feel this system is GATT-consistent or not. If we happen to lose that case, the blame will fall squarely upon Members of the New Democratic Party in this House.

Canadians have not lost their right to access fish caught in their own waters. They are the only ones who can catch fish in their own waters. It is our administration and our rules that say there are no over-the-side sales. The fishermen of British Columbia are to catch the salmon and herring.

The representatives from British Columbia do not care about the position of the fishermen. They think they are onto some other political point that is going to do better for them than the cause of the fishermen and fish processing workers. But we are protecting both. We are protecting the B.C. fishermen who are going to have the sole right to catch the fish in B.C. and Canadian waters and we are protecting the fish processing workers, because these regulations are going to assist the management and conservation of the industry. I think they are going to continue, the result of which will be that I will be surprised if not all the fish caught in B.C. waters, but nearly all, do not continue to be processed there.

Mr. Barrett: You would be surprised? Is that all you are prepared to do is be surprised?

Mr. Crosbie: The Hon. Member will not be surprised because he is in the House telling untruths. He is in here pretending people have lost their jobs when they have not lost their jobs. He is trying to scare the wits out of people unnecessarily. He does not want to be helpful.

There have been months of work done on this. There are resources committed to the west coast salmon industry which doubtless the Minister of Fisheries and Oceans (Mr. Siddon) has expanded on what has been spent through the Salmonid Enhancement Program and other programs. I notice from my notes here that it is $41 million a year.

The GATT is the cornerstone of Canadian trade policy. It served us well over the years. We sometimes win at the GATT and we sometimes lose at the GATT. But if we, as one of the medium-sized powers of the world, are going to abandon the GATT when it does not suit our own narrow interests and not accept our obligations as a trading partner in the system, then the system is doomed and Canada is doomed because Canada depends on trade for our prosperity. One-third of our whole national wealth comes from that trade. Four million Canadians depend on exports. Members opposite want to jeopardize four million Canadians while they try to scare a couple of thousand other Canadians. This is the kind of statesmanship we get from the New Democratic Party, Madam Speaker.

We depend on strong and predictable international trade rules to protect our own export sales. A strong GATT is the best security we have for Canadian trade. How can we turn our back on it? There are individual cases where we do not particularly like the results but we have had to recognize certain regulations were not GATT-consistent.

By the way, the situation on the East Coast is that regulations that were in place are grandfathered under the Canada-U.S. Free Trade Agreement. That has nothing to do with this situation. However, anyone who wants to challenge even the east coast regulations under the GATT could do so. There is nothing to prevent that from happening. It simply cannot be challenged under the U.S.-Canada Free Trade Agreement. The United States would not agree, because of their success in this case, of grandfathering the B.C. regulations under the U.S.-Canada Free Trade Agreement. They would still have been exposed to a challenge under the GATT in any event as they were challenged in 1986.

Let us forget all the rhetoric and forget the attempts to confuse the issue.

I might point to Mr. Peter Pearse's report. He ran for the Liberal Party in the last election. In his report of 1982, he said this:

> Although pressure from established processors and plant workers to restrict exports of less highly processed products is understandable, to do so is inconsistent with fishermen's interest in high prices and with the public interest in generating the highest returns from resources.

Of course, Hon. Members opposite are not interested in the fishermen's interest in high prices. We already know that.

Just to reiterate, no jobs have been lost. None. No jobs. We have a new set of regulations in place that we think will protect Canada's and British Columbia's interests, the interests of the industry and the people in the industry out there. Canadian fishermen are not going to be damaged in any event. Only Canadian fishermen can catch the salmon and herring. We have an increase in plant workers and fishermen in the last four years as the result of our efforts and policies. These are the facts.

We have worked hard to put the system in place that we have now. We need the support of the Members from British Columbia, the industry, and the unions of British Columbia to maintain our position in the panel that is now going to operate under the U.S.–Canada Free Trade Agreement. What we need is help, not hindrance by Members of the New Democratic Party.

Mr. Skelly (North Island—Powell River): I have a point of order. It is that jobs have already been lost in Prince Rupert. The Minister is giving us misinformation.

The Acting Speaker (Mrs. Champagne): The Hon. Member may wish to debate the point later on this afternoon. On questions and comments, the Hon. Member for Skeena (Mr. Fulton).

Mr. Fulton: Madam Speaker, the Minister tried to make it seem that there is no connection here between the Free Trade Agreement and GATT and what is taking place on the West Coast.

As the Minister knows, export taxes are inconsistent with the Free Trade Agreement but are consistent with GATT. I would like to read him a quote and get his comments on it. I quote from one of his own government officials, the Assistant Deputy Minister for Pacific Fisheries, Pierre Asselin. On May 16, 1989, he said: "One thing I would like to mention, however, is that an export tax would not work with salmon because an export tax could never be imposed against the United States because of the Free Trade Agreement". That is before the Standing Committee on Fisheries here in Ottawa.

How does the Minister continue to rise in this House and say that there is no connection between what has gone on here and the FTA?

• (1630)

Mr. Crosbie: Here would be the situation if we did what the hon. gentleman is suggesting we do. The United States or some country goes to GATT. GATT establishes a panel. The panel finds that Canada's particular regulations are inconsistent with GATT and with the world international trading rules which have been in effect since 1947. Canada accepts the GATT panel report as it must and should do, if we believe in a world trading system in which we are so totally dependent, and then we turn around and add an export tax and vitiate the whole results of the GATT panel report.

Does the Hon. Member think the other countries of the world in the GATT trading system will put up with that, or that this would be consistent with GATT? You win on the one side, and then the country against which you are successful comes in and imposes an export tax.

At the present time an export tax might well be permitted under the terms of the GATT. However, with respect to the United States of America under the U.S.–Canada Free Trade Agreement, we have both agreed not to impose export taxes on goods that we sell to one another which are consumed in the country to which we sell them.

If we sell the Americans goods that they are to consume themselves in the United States, we are prevented from imposing an export tax. In the same manner, the United States is prevented from imposing an export tax on goods that we import from them to consume in Canada.

Why is that? Because it is a free trade agreement. We are going to reduce tariffs between our two countries over 10 years, so there are no longer any tariffs. If there are to be no longer any tariffs, how can we have export taxes and put on the reverse of tariffs so in effect there is a tariff going in the other direction? Part of a free trade

agreement is that two countries agree not to put export taxes on the goods that one another consumes.

However, if the United States wanted to import something from Canada to re-export somewhere else and not to consume in the United States, then an export tax would be valid with respect to those goods.

I hope that clarifies the matter for the hon. gentleman, although I think his mind being so murky it would take a lot more than my abilities to clear anything up for him.

Mr. Rompkey: The Minister stated that nobody has lost jobs but I thought I heard him say that some fish plant workers might lose jobs.

The Minister has been making the argument that the Government has to go along with GATT because of the fear of retaliation. Yet, who is that retaliation going to be against? Surely, it will not be against the fishermen and the plant workers on the East Coast or the West Coast. They have already suffered that pain. We have to be led to the conclusion that it is retaliation against other people in other parts of the country.

This is a fair country. We all pay the same taxes and we all have the same rights. Should not the pain from the market forces be spread across the country? Does the Minister agree that the fishermen and the plant workers on the East and West Coast are those who are least able to bear the pain?

Third, I would like to ask the Minister why are we so locked in still to the American market? Why has the Government not developed other markets? For example, on the West Coast, as part of the Pacific Rim, there are markets available for species from the West Coast. The East Coast is close to Europe and has traded with Europe for years. For example, the East Coast has sold salt fish to Spain and Portugal. Yet, the Government has not supported the Canadian Salt Fish Corporation.

Why are we still so locked in to the American market? Why have we not developed other markets so that we do not have the fear of retaliation as a result of protectionism?

Mr. Crosbie: The protectionism in this case is Canadian protectionism. Canadians are not totally innocent in every aspect of their national life and activity. This is a case of a complaint against Canadian protectionist activity. We were caught being protectionist. Under the rules forbidding the export of unprocessed salmon and herring, we were found to be protectionist by an impartial GATT panel. We have to observe the GATT panel because we are players and dependent upon the world international trading system. If we are not prepared to obey the rules, how can we expect others to?

In this case, the protectionists are not the Americans, but the Canadians. The Americans are there in Alaska willing to and selling us salmon and herring.

Mr. Rompkey: But you signed the Free Trade Agreement because you were afraid of American protectionism. That is why you signed it.

Mr. Crosbie: They have been selling Canadians salmon and herring, so they have not used protectionist measures, but we did. The protectionists in this case were Canadians. That is why we have had to change these rules.

The answer to the question on the pain is the following. Under GATT rules, if we do not observe a GATT panel report, the Americans are entitled to estimate what the damages are to them a year—

Mr. Fulton: According to the applicant, $5 million.

Mr. Crosbie: —and they will get the approval of GATT if they go to GATT to ask for it, and taking retaliatory action against other Canadian exports. They can pick what they like. The likeliest thing they would probably pick are other fishery product exports from Canada to the U.S. Perhaps they would choose lobster from eastern Canada, or they might choose cod from eastern Canada. Therefore, they would impose a counter-retaliatory action on other fish products which would harm the fishermen in the district of the hon. gentleman. Then we would hear him talking about sharing the pain. Would he be up saying that we must all share the pain? Like heck he would be up saying we must all share the pain. He would be saying: "Why didn't you observe the GATT panel rules? Why don't you observe the GATT? Now my people are suffering". It might be producers of some manufactured product in eastern Canada.

With respect to markets, last year of $2.67 billion in fish product exports, $1.4 billion went to the U.S. We now have $600 million worth of fish products going to Japan as a result of our efforts, particularly under this Minister of Fisheries and Oceans (Mr. Siddon), for example, salmon, herring and female capelin from New-

foundland. We are up to $600 million in exports to Japan, and $437 million in exports to the European community.

I ask the Hon. Member to keep that in mind when he is bawling about trade sanctions, how we should sanction the European Economic Community if they do not do what we want on the nose and tail of the banks. There are $437 billion worth of Canadian fish products sold to the European community every year, and a tremendous amount of value in lobster from Nova Scotia. Would Hon. Members like to see us sanction the European community so they sanction us back and don't buy any of our lobster? I do not think so. I think that this is very much a two-edged sword.

Let us try to keep in mind whose interests we are acting in. We are acting in the interests of B.C. fishermen, B.C. processing workers, the B.C. Government, the B.C. people, and the people of Canada in observing this GATT panel report and in bringing in these new regulations which we hope to have accepted by the panel that has been established under the U.S.-Canada Free Trade Agreement.

Mr. David Barrett (Esquimalt—Juan de Fuca): Madam Speaker, it is always a pleasure to listen to the Minister for International Trade (Mr. Crosbie). What he lacks in substance he makes up for in rhetoric. We will attempt to deal with the detailed analysis in the answers he gave to the questions.

In answer to the second question of the Hon. Member for Labrador (Mr. Rompkey), the Minister stated that if we ignore the GATT decision we would have to penalize the East Coast fisheries, the fishermen and the producers.

Mr. Friesen: That is not what he said.

Mr. Barrett: Yes, he did. He criticized the Member for even raising this by saying there would be a tariff on lobster and other fisheries.

The original application to GATT by the company that was opposed to Canada's practices pointed out that it was talking about the potential of a $5.1 million penalty. That is the maximum. On the West Coast of Canada we are dealing with a fishery that produces $860 million in the export market and we put that at risk for a $5 million penalty for ignoring the GATT decision, and that would only be if we lost.

This is supposed to be a business-like Government. It is risking $860 million worth of international trade under that Minister who is supposed to be protecting our international trade for the potential penalty of $5 million in a countervail duty. Does that make sense? Twenty cents for every Canadian to risk this whole industry on the West Coast. It is more than that, and I will come to my further arguments in a moment.

• (1640)

Second, in November, 1988, the Minister said that it has got nothing to do with free trade. That is what he said—nothing to do with free trade. if this situation has nothing to do with free trade, then why after the GATT ruling have we acquiesced to an appeal of this ruling, not through any mechanism of GATT, not by taking the risk of paying that $5 million countervail, but acquiescing to the Americans by saying we want a panel under the Free Trade Agreement to settle the GATT decision, knowing all the time that under the Free Trade Agreement that no matter what the panel does, it cannot under any circumstances go against American law.

I want to the Minister to explain to the West and East Coast fishermen how a GATT decision that has got nothing to do with the Free Trade Agreement is now in front of a free trade dispute settlement mechanism. How is that so? The Minister was not giving the whole story to this house and to the Canadian people. It has everything to do with the free trade deal. Otherwise why is it there at that panel? Probably any Canadian left awake in this country watching us wrangle over the details of this debate is totally confused as we exchange our interpretation of facts to suit our argument. So let us abandon that debate for the few moments that I have got and I will raise this proposition.

The Tories asked to become the Government of the day. They espouse a certain series of policies that the Canadian people would either benefit from or suffer from. They took as a course of action on this particular issue to deal with a response by a decision from GATT. The decision that they were responsible to make was to make a series of choices. We have outlined some of the choices they could have taken. They did not take those choices. They chose a very weak landing regulation that is now subject to a panel under the Free Trade Agree-

ment. They said all along when political statements were being made about the threat to jobs that no jobs would be lost. In the substance of this motion in front of the House, the Minister of Fisheries said: "not to allow jobs historically established to be threatened."

Of course we will not know until this fishing season is over in west coast British Columbia what has happened. It is a fact that the New Democratic Party, the Official Opposition and the Government will not know what the impact of the decisions are until this fishing season is over. We say it will be a disaster. They say nothing will change. They are responsible for putting us in this situation. We did not agree with the process that they took. We offered alternate advice and we were ignored. It is now incumbent on government Members to stand up and say: "We have made this decision, we think that we are right, we have denied that any jobs will be lost. However, since we have ignored the advice of our own experts or ignored the advice of the Official Opposition and the New Democratic Party on how to handle this, we are prepared to stake our seats on our word." I put this challenge to the Minister of Fisheries.

Mr. Crosby: How do you propose to put your seat on the line?

Mr. Barrett: Under the rules of the House if a Member says clearly that no jobs will be lost, and that is the end result of a government policy, they cannot get away with saying, oops, we were wrong.

Mr. Boyer: Will you put your seat on the line?

Mr. Barrett: Yes, I will put my seat on the line.

Mr. Crosby: Send a letter to The Speaker.

Mr. Barrett: If the jobs are not lost in British Columbia, I will resign my seat at the end of this fishing season on the basis that either one of those two Ministers, the Minister of International Trade or the Minister of Fisheries and Oceans (Mr. Siddon), will do the same. If I am wrong, I will step down from my seat in this House. If they are wrong, let them step down from their seats in this House. I make no bones about it.

I did not come down here to play games, hear attacks of rhetoric and accusations. Let us put it down to cases. I am prepared to stake my seat on this issue right here in this House. If I am wrong, I will resign my seat only on the basis that if they are wrong, they will resign their seat, too. That puts it down to a clearly understandable situation. The people in British Columbia whose livelihoods depend upon this issue, the industry in that province, the small towns, they do not understand the nature of this banter back and forth in the House. They do not understand the intricacies of the Minister's rhetoric. They understand only one thing, and that is that they are out of a job. Who was responsible for putting them out of a job? The Government has handled this problem in a stupid fashion and caved in to the United States every step of the way on this deal.

Some Hon. Members: Hear, hear!

Mr. Barrett: We can talk about who said this and that. We can talk about who should have done this and that, but this is not a roll of the dice. This is the responsibility of a Government that swore on behalf of the people that they were going to protect the jobs of those workers. I say they put them at risk and they say they have not. If I am wrong, I am prepared to walk away from it by saying that I put my seat on it. They should be prepared to do the same.

Let the Minister of Fisheries stand up in this House today and say, as it is in this resolution, that not a job will be lost, and that if a job is lost, I will step down from my seat. Let the Minister of International Trade with all of his bluster and nonsense and personal attacks say that if I am wrong, I too will step down because I put too much at stake on the roll of the dice. Do the Canadian people have anything less to expect? Not at all. We are talking about the livelihood, the maintenance of succour and care for those rural communities on the coast of British Columbia.

Let me predict this. Should this happen in British Columbia, God help us, it is going to happen in the Atlantic provinces as sure as the sun comes up in the morning because Americans will see how weak-kneed, how stupid and how lacking in ability this Government is in dealing with these kinds of issues. We are not going to score debating points about you said this and I said that. That is all nonsense now. Now the crunch has come.

In a few weeks the fishing season will start. Yes, the British Columbia fishermen will catch the fish as they have always done and as they have always had a right to do. To pronounce in this House that somehow the Government has protected this inherent right by Canada being a sovereign nation is nonsense. The fishermen will catch the fish. Who will process the fish is the question? We predict that once those fish are in this phoney landing situation, they will be scooped up by American

buyers, trucked down to American plants and off to Japan.

What the Minister said in his last hidden comment in response to an answer of my colleague was about the export taxes. We cannot put an export tax on anything consumed in the United States. Ninety-five per cent of the canning of Canadian fish under this agreement will not be consumed in the United States. It will be sold offshore for a massive profit by the American processors. If the Americans had to eat all the fish that they imported from Canada, they would have fish three times a day and an extra meal at midnight trying to get through those cans. Who is he trying to kid? It is not for consumption in the United States. It is for the export market, trans-shipped and processed through the United States. You have sold us out. You have sold out British Columbia. You have sold out the people of my province and you play games in here.

Thank you, Madam Speaker. I know my time is up. I repeat calmly and rationally that if I am wrong, I will resign my seat. I expect from either one of those Ministers to respond to my challenge by saying that if they are wrong, they will resign their seat.

Mr. Crosby: Madam Speaker, I want to make a comment and then pose a question to the Hon. Member. First, he did refer to the Canada-U.S. Free Trade Agreement and he did refer to Atlantic Canada even though the focus of this debate is on British Columbia. I want to tell him this. I think I am repeating what the Prime Minister (Mr. Mulroney) said in the House of Commons today.

• (1650)

The Canada-U.S. Free Trade Agreement is already starting to reverse the fortunes of Atlantic Canada. Who said that? The Premier of New Brunswick, Frank McKenna, who had a unanimous victory in that province. He praises the Free Trade Agreement. He said: "We are starting to feel like we are on the move, that we have got an opportunity to share the wealth of Canada in an equal fashion. That is what the Free Trade Agreement has done for Atlantic Canada". That is what Premier Frank McKenna, with the unanimous support of his electorate in the Province of New Brunswick, says about free trade. I tell the Hon. Member to be careful about what he says about free trade in Atlantic Canada and stick to British Columbia.

Let me tell the Hon. Member something about British Columbia. The Hon. Member said in his speech that the fishermen will catch the fish. The question is who will process that fish. These fishermen are Canadians. Canadians own and control every fish that is caught in this exercise. Why does the Hon. Member not go to the fishermen and ask them not to sell it to the Americans? Why does the Hon. Member not say: "Sell that fish to Canadian processing plants"? Why does he not get his answer there. There is no law in the world that compels Canadians to sell fish to American processors.

The Hon. Member blames the Minister of Fisheries and Oceans (Mr. Siddon) and the Minister for International Trade (Mr. Crosbie) for who buys and sells fish in British Columbia. He is looking at the wrong people. Never mind resigning his seat. When he gets back out to British Columbia he should tell the fishermen to keep that fish in Canada. Do not let it go to the United States, if that is what the Hon. Member is worried about.

Mr. Barrett: Madam Speaker, one of the ironies of debate in this Chamber is to have the people who should least be in the position to get up and attack on these kinds of issues be the first to jump up and attack. It is in the province of the Hon. Member, because of the trucking of fish, that 1,000 jobs have been lost in the fish processing industry. His own colleagues have said that. If he is so concerned about protecting jobs, he should be up on his feet demanding that the sale of unprocessed fish stop from his own province and protect the jobs of his own workers in that province.

Some Hon. Members: Hear, hear!

Mr. Barrett: Madam Speaker, the Hon. Member talks about me and suggests that perhaps I should not take this tack and I should not do that. I reiterate, we are now at the stage of a guessing game as a consequence of the Government's policy. We criticized this policy. We are predicting what the consequences of this policy will be, in spite of the promises made to us by the Government. The Hon. Member does not know what will happen. I do not know what will happen. I have a darn good guess as

to what will happen. The Hon. Member thinks that something else will happen.

I reiterate on the roll of the dice that if Members opposite really believe that they are right in everything they have done then they should be prepared to take my challenge. I repeat it. If Members opposite are right and no jobs are lost in the processing of fish in the Province of British Columbia this season, I will resign my seat. The other side of the challenge is that if Members opposite are wrong after all their rhetoric, all the bumpf, all the baloney and everything else, it means more than just standing up and saying with the wringing of hands: "Gee whiz, we were wrong. The devil made me do it". Members opposite must be prepared to be responsible, morally and physically, for their jobs. They must put their seat on the line through the Cabinet Minister.

Mr. Harvard: You have little to worry about, David.

Mr. Barrett: Madam Speaker, I wrap up by saying again the question is this. Will the Government take the challenge or not? Do Members opposite believe the policy or not? The challenge is on the table. If they believe in what they are doing, then they should take it up. If they do not take it up, then we all know what they have done. They have sold out to the Americans.

Mr. Jim Fulton (Skeena): Madam Speaker, I would like to touch on a few of the things that have been raised by the Minister of Fisheries (Mr. Siddon) and the Minister for International Trade (Mr. Crosbie) today. There is a very fundamental issue that has to be addressed in this debate. It is that one cannot compete if one does not have the fish.

What we are talking about here is the ideological and the philosophical approach that we just heard once again from the Hon. Member from Halifax. He said: "Go talk to the fishermen". He thinks that is the solution.

Let me run through a few of the designs that we see coming out of the ideology of the Progressive Conservative Party of Canada, or as Alan Fotheringham refers to it, the regressive convertibles.

What is going on in the high seas? We know that Japan, Taiwan, Singapore and Korea are involved in a massive drift-net fishery—50,000 miles of drift-nets this year. They are taking between one-fifth and one-third of British Columbian salmon. What does the Minister of Fisheries and Oceans do? He wrings his hands. He will send five observers out to go on 1,500 boats. He is a real tough guy. He is really out there standing up for Canada. He is a great Canadian.

What does the same Minister of Fisheries do for Alcan? Alcan wants to take all the water out of a river system in British Columbia. It is dealt with in Section 20(10) of the Fisheries Act, one of the oldest constitutional and parliamentary powers in Canada in relation to flowing water and fish. What does he do? He signs on the dotted line. He gives up all powers and turns over those spawning areas in those river systems to the Aluminum Company of Canada so that they can make power to export where? To the United States.

What did he do on the Queen Charlotte Islands when Frank Bevan Logging caused a big slide? The slide went down into the river system and blocked the salmon four seasons in a row so that they cannot get in. We win every way. We win in provincial court. We win in the Court of Appeal. We win in the Supreme Court of British Columbia. The case is on its way to the Supreme Court of Canada so that we can get the logging companies to pay restitution for cleaning out the stream. In the middle of the election what does the Minister of Fisheries and Oceans do? He drops the charges.

There is a design here on the high seas and in the rivers. What about pollution? Some 17 out of the 23 pulp mills in British Columbia have been in significant non-compliance with their permits for more than a year, accounting for 50 per cent of the marine pollution in Canada. We will have fisheries closed right in Prince Rupert. Fishermen cannot even take crab, prawn or shrimp out of the harbour because they are polluted with dioxin. What does the Minister of Fisheries do? He sits on a 600-page report that demonstrates that almost every pulp mill in Canada is in significant non-compliance with the Fisheries Act of Canada. Does he do anything? He does diddly-squat. There are only two places in this country where wool grows. One is on the back of a sheep and the other is inside the skulls of the Minister for International Trade and the Minister of Fisheries and Oceans. That is clear to anyone who studies this issue for even a moment.

Let us go back to where this all began. Let us go back to the grand design. What did the Minister of Fisheries and Oceans say in Prince Rupert? Let me quote his words. We used to have CBC in Prince Rupert but the Tory ideology was that regions of the country cannot have news and weather. No, we have to get rid of the CBC. Here is what the Minister of Fisheries had to say in Prince Rupert on CBC. I quote: "If we are talking about liberalizing trade, and we are talking about free trade talks, maybe we should be talking about the free flow of fish between the two countries," referring to Canada and the United States.

When the former U.S. Ambassador to Canada, Thomas Niles, was asked out in British Columbia about what some of the articles of the Free Trade Agreement meant when it came to logging he said that his understanding of the Free Trade Agreement was that it would mean that U.S. loggers would be able to come into British Columbia, fell trees, buck trees, load the trees and take those trees back to the United States. I am paraphrasing what he said. However, it is on the public record.

We hear a lot of buffalo chips from the Minister for International Trade. He says: "This will not affect Maritime Canada, the East Coast, Newfoundland, P.E.I., Nova Scotia".

The same GATT challenge to which the Government acquiesced supinely out in British Columbia is going to affect New Brunswick, Newfoundland, Nova Scotia, Prince Edward Island and Quebec. I urge people in those provinces to read Article 1205.

• (1700)

It is the same ideology, the same philosophy. This whole process to sell out the fishing industry all over Canada began on April Fools Day, 1986. The decision had been made in Cabinet. They never told the backbenchers. I do not suspect for a moment that most Tory Members of Parliament know what the underlying agreements are between Canada and the U.S. on this.

I know all of the issues that brought Icicle Seafoods about. We could not buy and bring those fish into Prince Rupert if they were not surplus to the plants in the State of Alaska. The Ministers never want to talk about that. The Ministers do not want to talk about the Magnuson Act. They act as though it did not exist. We cannot do in U.S. waters what they claim to want to be able to do in ours.

What happened, Madam Speaker? My colleague for Esquimalt—Juan de Fuca (Mr. Barrett) made it very clear. The actual applicants from Icicle made it very clear. The maximum damage they tried to seek under 301 was $5 million. What does this Government do? It puts an $867 million industry from last year on the ropes, on the chance. There is no certainty that Icicle could have even won it. But the Government put our entire industry on the block for $5 million. It does not even want to fight it.

Then what happened? We get this GATT panel in Geneva. It is unbelievable. Someone was sent who knew almost nothing about law. He stood up for Canada, at the very best on his knees. What happened while we were there? He did not argue the Canada–U.S. Salmon Treaty which predated this process. He did not argue on the principles of the Law of the Sea, the covenants of the International Law of the Sea which gives us very specific identifiable rights, which predate the Magnuson Act of 1976. Was that argued? No. This was by design all the way along. This was a coldly, calculated way of fudging the issue all the way along.

Let me give another issue of fudging, Madam Speaker, from the Minister of Fisheries and Oceans (Mr. Siddon). What did he say while this matter was in Geneva? I asked the question right here on the floor of the House. He said right here in this House of Commons and I quote: "What we have here is a panel recommendation which will in all likelihood be overturned by the GATT Council". We, speaking for the Government of Canada on the floor of the House of Commons, said we will be opposing the recommendation when it reaches the GATT Council. That is what he said. Shore workers and fishermen in British Columbia said that the Government blew it in terms of allowing it to get where it has got. It gets to the GATT panel. We do not even argue on Canada's behalf, do not argue for Canada's outstanding position which we would have won. We allow it to be lost there. We then say we are going to oppose it when it goes to GATT Council. Does Canada oppose it? Fat chance. On March 21, 1988, the Minister of Fisheries and Oceans and the Minister for International Trade (Mr. Crosbie) capitulated to U.S. interests.

On March 22, 1988, what happened? Well, history speaks for itself. What went on in Washington? The fishermen were told: "Okay, don't worry, we are going to have a working group in terms of getting some new regulations." Bear in mind, these regulations date from 1903 in terms of herring and salmon in British Columbia. It massively predates the FTA, and predates GATT by more than 40 years.

There are principles of international law which must be upheld if the international forum is to survive. The Minister states that we have to be GATT–consistent and a lot of other bluster and bull. History is very clear about what happened here. This was a sell–out by design.

Who do we send to Washington after we had been promised in the working group, we were promised landing rights? We were promised grading rights and we were promised evisceration. We were told Canadians have a right to gut fish. If we do not have a right to gut fish, logs will go to the United States. Do we ship pigs? Do we shoot hogs in this country and ship them with their guts into the United States? Do we do it to chickens or anything else? This is the thin edge of the wedge.

If you will just give me a moment, Madam Speaker, I will close on a couple of quick points. What went on in Washington is crucial. We sent down how Howie Wilson. Who did the United States have on their side? They had Peter Murphy who had just been through the whole FTA negotiation with Simon Reisman. He knew exactly how deep the desire to sell out the fishing industry was from the Conservative Government. It was a chip, a bargaining pawn in relation to other agenda items. It was Mickey Mouse versus Godzilla. Peter Murphy said that he did not want that evisceration right on the table. Howie Wilson runs out of the room and takes it right off the table again. No bureaucrat would have done that without the direct support of the Minister for International Trade.

On April 25, the Minister for International Trade proclaimed the gutless regulations. The industry in British Columbia is threatened, every single processor. They were here in Ottawa this week. Mike Hunter who is with the Fisheries Council said exactly what the unions are saying from Prince Rupert and from throughout British Columbia. I am sure there will be a question and I will carry on.

The Acting Speaker (Mrs. Champagne): Questions and comments. The Hon. Member for Nickel Belt.

Mr. Rodriguez: Madam Speaker, after listening to my colleague present such a very clear picture of what is taking place, there is only one comment I would want to make. He described that some bureaucrat ran out of the room and took it off the table and that he did not do it without the Minister knowing. We know that for the 75 missing minutes bureaucrats do make decisions in that Government without consulting the Minister.

He described very clearly the silent supine surrender of this country with respect to the whole question of processing fish. I want my hon. colleague to comment on the following. Imagine the implications for other resource sectors. What are the implications, for example, of finishing nickel in this country? Ontario has a law which states that the nickel that is mined in Ontario must be finished in Canada. That is the mining law of Ontario. There is only one exception to that law and that exception is Falconbridge. It has been written in because Falconbridge had established a refinery in Norway and it is still on the books.

I would like to ask my hon. friend: What is the implication for Nickel and for a whole host of other resources? We are still hewers of wood and drawers of water largely. This will condemn us to forever being hewers of wood and drawers of water.

Mr. Fulton: Madam Speaker, earlier this afternoon we heard from the Member for Halifax West (Mr. Crosby). I think fisher people around British Columbia and around this land will have listened with care when he said: "Talk to the fishermen. You have a right to catch fish but that is as far as it goes". After that, it is free enterprise, he would have liked to have said.

Let me deal with what my hon. colleague for Nickel Belt has just raised. It is abundantly clear what the implications are in terms of the thin edge of the wedge. We can see it directly and visibly in Articles 1203, 1204 and 1205, as to how the fishing industry in other areas of the country will be challenged on precisely the same grounds as what happened in British Columbia.

In terms of any kind of prohibitory provincial or federal law, such as that to have to process nickel in a certain area of Ontario, as an example. It will simply be a

matter of time before the argument espoused by the Member from Halifax is used in that situation.

They will say that once the nickel is mined then it is up to the open market. That means situations where we have in fact become, as we are in the B.C. fishing industry, the most competitive, the world leader in terms of price and quality. We have done that over generations. We are doing it in other sectors in our economy. However, let us not forget what Thomas Niles had to say when he spoke about our forest industry, because he had been briefed about what the FTA really means.

According to him, even though the export of logs of all species is in Article 1203, the same place where we find the fish regulations, his interpretation is that U.S. citizens, under U.S. law, will be able to come into Canada and cut our trees down and take them back to the mills in their country.

If this debate does not alert Canadians to the underlying ideology and the ultimate goal of what was negotiated between our Prime Minister (Mr. Mulroney) and President Reagan, and if people cannot see it now in relation to what is going on in the fishing industry, they then will not understand why Members of Parliament like myself will be standing on the docks and doing whatever is necessary, including civil disobedience, to make sure that our fish are not exported, regardless of the smelly deals cut by the Conservative Party of Canada to sell out our nation.

The Acting Speaker (Mrs. Champagne): Resuming debate. The Hon. Member for Delta.

Mr. Stan Wilbee (Delta): Madam Speaker, it is a pleasure to be able to stand in the House today and speak on this very important matter to British Columbians. As a native British Columbian and one who has spent a great deal of time on the north coast, as well as the west coast of Vancouver Island, I realize the importance of this topic to all of us in British Columbia and indeed across Canada. One of the things we have not talked about too much in the debate this afternoon is whether or not Canadians can compete in this world, and that is what I would like to talk about this afternoon.

• (1710)

It has been asked what the Government will do to help the West Coast industry in the face of the current salmon and herring situation. One should not be left with the impression that the West Coast is being abandoned. The West Coast fishery, like most other world fisheries, has gone through and will continue to go through both turbulent times and prosperous times. Since 1985, the industry has been both buoyant and prosperous.

The Pacific fishery is dominated by salmon which in 1987 accounted for approximately 46 per cent of the total landed value of $416 million. Herring, mainly roe herring, accounted for 26 per cent of it and groundfish for 22 per cent, with shellfish and the remainder types making up the balance of landings.

Can West Coast fishermen remain competitive? To respond to this question one must realize the tremendous pressures on West Coast fish stocks. To take salmon as an example, apart from ocean survival and environmental concerns, these fish must first pass through U.S. and Canadian commercial fisheries as well as recreational and native fisheries before returning to their streams of origin. Within these returning stocks, there are weak and strong runs of fish, enhanced and wild stocks of all five species of salmon. To ensure that adequate escapement takes place makes the business of fisheries management extremely complex and fisheries managers must exercise extreme caution. All fishing plans in British Columbia are designed to target specifically those stocks which are expected to be returning in abundance and to minimize or avoid the harvest of weaker stocks which cannot withstand commercial harvest.

In 1976, in response to declines in many salmon stocks, the federal Government launched the Salmonid Enhancement Program, SEP, which to date has invested one quarter of a billion dollars to rebuild depleted salmon stocks and enhance fishing opportunities. SEP continues a formal commitment by the federal Government and the Province of B.C. to an extensive systematic program of enhancement of salmonid stocks.

In 1987, 607 million juvenile salmon and sea-run trout were released from enhancement projects. The resulting catch in escapement through 1991 is anticipated to be 8,570,000 fish plus. In 1985, enhancement contributed approximately 14 per cent by weight and 21 per cent by landed value to the commercial salmon fishery catch.

By the early 1990s, SEP is expected to account for one third of British Columbia's salmonid production. SEP has been the vehicle allowing approximately 12,000 volunteers to help enhance and rebuild the resource and has served to increase the public's awareness of the importance of protecting fish habitat. By 1990–91, the funding commitment to SEP will stabilize at $42.5 million a year and 19 of SEP's projects are contracted out to remote native communities in B.C., thus providing training and experience for natives as well as economic development opportunities.

SEP is an increasing factor in B.C. fisheries. It is a program aimed at ensuring that future prospects for this valuable resource will be greatly improved. Maintenance of a program such as SEP clearly indicates the Government's commitment to fostering a strong West Coast fisheries resource base.

Prior to 1985, the SEP program could not expand to realize its full potential because many stocks targeted for enhancement were being fished in Alaska and Washington. As a result, following almost two decades of negotiations, the Pacific Salmon Treaty was signed in March of 1985. This treaty sets out long-term goals for the benefit of salmon. The principles of the treaty are to prevent overfishing and to provide for optimum protection and for each party to receive benefits equivalent to the production of salmon originating in its waters.

Why did we need the Pacific Salmon Treaty? Salmon fishery managers in Canada and the United States are challenged by the fact that some of the Pacific salmon each country produces are intercepted by fishermen of the other country. Interception exists because salmon swim across international borders beyond the jurisdiction of the Government in whose waters they were spawned. The fish migrate long distances, spending several years at sea. In the course of their migratory cycle, United States spawned fish enter the fishery zones of Canada and Canadian fish enter U.S. waters where they are vulnerable to the other country's fishing fleets.

Over the years, research by both countries revealed that Alaskan fishermen were catching salmon bound for British Columbia, Oregon and Washington. Canadian fishermen were capturing Coho, Chinook and other species bound for the rivers of Washington and Oregon. Fishermen in northern British Columbia were intercepting salmon returning to Alaska, and United States fishermen were catching salmon as they travelled through the Strait of Juan de Fuca and San Juan Islands toward Canada's Fraser River.

Unless management policies and conservation concerns are jointly agreed on, one nation may harvest too many of the other country's stocks and frustrate the home country's management plans. Uncontrolled interceptions may also jeopardize the administrative and financial support needed for salmon enhancement programs. The home country may be reluctant to invest in hatcheries for habitat protection and restoration if the fish produced are caught by fishermen of another nation. Intercepting fisheries encourage over-harvest and discourage investment in conservation and enhancement.

Through the years, the United States and Canada reached agreements over the management of particular salmon stocks in limited regions, for example Fraser River Sockeye and pink salmon. However, the number and diversity of each country's intercepting fisheries defied small-scale solutions. The Pacific Salmon Treaty is broad in scope, enabling it to serve as the means to co-ordinated management of the coast-wide salmon resource.

Management of the West Coast fishery is not a simple task. The Department, for example, has the following objectives for the salmon fishery: First, it wants to achieve escapement objectives by ensuring that each salmon stock or groups of stocks are not overfished. It wants to ensure that the international obligations for all five species of salmon under the new Pacific Salmon Treaty are met and it wants to ensure that the domestic allocation of the total allowable catch between sectors, whether native, commercial or recreational, and within sectors, whether seiners, gill netters or trollers, are achieved.

Verification programs are necessary to confirm which species are caught, where they are caught as well as what stocks make up the catch. As each fishery commences, Department of Fisheries officers collect catch and biological information on the harvested species. The first stage, hailing, provides information to DFO on the fishing grounds by fishermen. This information is subsequently verified at the second stage when the catch is delivered to landing stations and reported to the Depart-

ment on sales slips. Estimates of catch and catch rates are calculated and fishing plans are adjusted accordingly.

Some biological information is gathered on the grounds but the bulk of sampling, and I think this is key to the topic we are talking about today, is done as the harvested salmon are being delivered to shore-based landing stations, hence the need for a landing requirement. Catch and biological sampling programs which verify what has been caught by species and stock are the key elements of a salmon conservation program.

To meet national and international obligations and to protect the resource from overfishing, fish managers must gather and verify this information quickly and adjust harvest plans accordingly. The integrity of these programs must be maintained to optimize production of salmon in B.C., and this is the reason we are insisting upon the landing regulations that are the topic of the debate today.

• (1720)

Careful husbandry of the fisheries resource has allowed the stocks in most West Coast fisheries to remain abundant. The West Coast fishery has seen days of depleted stocks, such as herring.

In the early 1970s the whole fishery had to be shut down. However, recognition by the industry as a whole—this includes the Government, fishermen and the shore workers—of the problem and subsequent good management practices by the Government have allowed these stocks to rebuild to allow solid fishing opportunities and the maintenance of strong markets.

The management techniques practised by Canada are further extended by a committed inspection service that allows Canadian products to maintain a top position in world markets. We are concerned about the quality our Canadian products are presenting to the world, and it is important in the whole competitive arena.

I asked if West Coast fishermen and shore workers can remain competitive. I say absolutely. As you have heard, Madam Speaker, various programs are in place, of which I have only given a sample, to ensure that fishermen have healthy stocks of fish to harvest. They have been ridiculing the depletion of stocks on the East Coast, yet when the same thing is done on the West Coast it becomes a bad thing. This is the whole concept of fisheries management. Stocks are allocated and, for commercial fishermen, landed to be sold.

Can the industry as a whole remain competitive? Absolutely. With a strong competitive market, fishermen will surely be able to demand top price for top quality fish as they currently do. Processors with labels that are synonymous with premium quality fish should surely want to purchase top quality fish and maintain their niche in the market. To process the fish, workers will be needed in the plants.

Can Canadian fish companies remain competitive? I say they can. The Government has invested heavily in the development and management of Canadian fisheries. Our management practices and fish inspection services are respected in today's international fishing forums. We may need to make changes in how we do business to adjust to changing times. But the basic premise of Canada maintaining strong viable fisheries for the benefit of all Canadians will always remain. Yes, we are now facing a dispute with our friends to the south but it will be resolved. The combination of government management of the resource and private enterprise initiative to process and market the resource, will prevail. Canada can be competitive in today's market and in the climate of free trade.

Mr. Fulton: Madam Speaker, I wonder if the Hon. Member would care to comment on the correspondence between the State of Washington from Skagit County and processors in British Columbia. One letter in particular, from Mr. Don Miller, President of Great Northern Packing, pointed out all of the various benefits that there would be for the processing industry from B.C. to move there. Under the tax credit section of the proposal to get the processing industry to move to Washington it states: "Because there is a surplus of available workers in Skagit County, new business and industry are eligible for state tax credits". Under financial programs it states: "Low interest loans are available to new industry creating jobs in Skagit County. Average hourly wages range from $4 to $9". Would the Member comment on that? Is that the kind of competition the Member would like to see in terms of the B.C. processing industry? Would the Hon. Member agree that British Columbians have a fundamental right to eviscerate fish? Many of our trading partners, such as France and Great Britain, will not allow

British Columbia salmon into their markets unless it is eviscerated.

No one, including the Americans, has ever gone to GATT to challenge the right of a country to demand that incoming British Columbian and Canadian product be eviscerated. Do we have a right to do that? Does the Hon. Member see what the real design is here?

Mr. Wilbee: Madam Speaker, I think the Hon. Member from Skeena and I have much in common in that we both, you might say, represent border areas and we both have fish processing plants in our ridings. We should remind ourselves that it was because of the highly competitive nature of the plants in the Prince Rupert area that we were buying fish from southern Alaska that really upset the Americans. In other words, the Canadian fish plants with their modern processing and excellent workforce were able to buy American fish and process them. The American processors were unable to get the fish for their plants.

As far as my own area is concerned, we do have several fish processing plants. These are all new plants. They are well equipped and I have not had any complaints from any of their people about the possibility of heading south. In fact, I think they are all looking for more sources of fish. They are looking for areas where they can get more fish rather than worrying about moving south.

As far as the letter from Skagit County to processors is concerned, I think this is fairly routine. I can show you several letters from my own municipality of Delta. Letters have been sent to other businesses encouraging them to come to Delta, telling them all about the virtues of the place. I have not heard concerns from people in the fish plants in my area that they are seriously considering a move south. Right now, the processors have ready access to fish and I cannot see that this is a factor.

I used to work in the Prince Rupert Cold Storage many years ago. It was mentioned earlier about the trucking of fish to the States. At that time all kinds of fish were being transported via reefer barges through Prince Rupert to Seattle and to Vancouver. I think this whole industry is highly mobile and as long as our plants can remain competitive, keep up to date and produce a top quality product, we do not have too much to be concerned about.

The second part of the Member's question concerned evisceration. I think we all recognize that if you do not eviscerate the fish as soon as possible, it deteriorates. This has been recognized by Canadian officials and is why they want these landing requirements. If fish are landed and reloaded again with the guts left in, as time passes the quality will deteriorate. I think if we can get these landing requirements through, and I have every reason to believe they will because they have been judged to be GATT-consistent, then I trust we can have these fish completely processed. I would like to see them smoked, canned and whatever else we can do to have value added. It is important for British Columbia.

[*Translation*]

Mr. Langlois: Madam Speaker, I listened with great interest to the speech by the Hon. Member for Delta (Mr. Wilbee) and also to the reply he just gave the Hon. Member for Skeena (Mr. Fulton). Madam Speaker, I think the Hon. Member's speech should provide the people of British Columbia with some measure of reassurance regarding the Government's intentions. I think it also puts the debate in a more logical context, allowing for market conditions and for the ability and expertise of the people of British Columbia which, with the Government's support, should help get them through the present situation.

I would like to direct the following question to the Hon. Member for Delta, and perhaps he could inform the House how he expects the fish processing plants in his riding in British Columbia to remain competitive with processing plants in the United States.

[*English*]

Mr. Wilbee: Madam Speaker, there are great changes going on in the fishing industry with the fish farms and so on. A few years ago there used to be canneries all over the coast. Changes in the ability to transport fish with the modern seiners and gill netters make it possible to cool the product right away. Before, they had to unload it every day. They can now go for several days with icing. This is even in the smaller ships.

• (1730)

What this has done, of course, is tremendously increase the quality of the fish that are available. It is still a fact that the sooner fish is processed, the better the quality.

We talked about the Japanese market earlier. I think this is a wide-open field for us to go into. Top quality, well prepared sea food. The market is going to be unlimited. This is where the plants in my area are concentrating. They are going into the Japanese markets as well as trying to maintain their nick in the European and North American markets.

I think because we are closest to the source of the fish, we have the best fish. They can be brought in and processed rapidly under ideal conditions. We have an edge on quality. The workforce that we have is highly skilled. We have an excellent marketing program. I think this is what is going to maintain the fishing industry in British Columbia.

Hon. William Rompkey (Labrador): Madam Speaker, I want to say a few words on this motion which is very ably worded by the NDP. I congratulate them for bringing it forth and in such an imaginative way. It allows people to put their seats on the line. It shows how strongly they feel about it.

The reason I want to stand up and say a few words is because we feel just as strongly. This is an issue that is not confined to one coast.

We had a visit on Wednesday in the Atlantic Liberal caucus from the consortium who put together this trip, and this initiative, and this exercise called "The case for government action to protect and develop the fishing industry". It included the United Fishermen and Allied Workers Union. We have those in my province and in the Atlantic provinces as well. The Prince Rupert Amalgamated Shoreworkers and Clerks Union and others were included. They came to us as people from the West Coast and people from the East Coast with a handout for help in a situation that affects us all.

Whether people live on the East Coast of Canada or the West Coast of Canada, they are a coastal people. The reason we live there is the marine resource. We live by the sea and from the sea. We live off the sea. If the harvest of the sea is threatened, then it threatens us on both coasts. We understand the seriousness of that.

Indeed in their brief and documents they put together, they suggest that both coasts are at risk. The document says that Canada is the world's largest fish exporter, but 4,000 B.C. shore workers and an equal number in the Maritimes face lay-offs while unprocessed fish move south. Our greatest export industry, the mainstay of our coastal economy, is at stake if we fail to act.

Let us look at the B.C. situation first. We are told that the Government could have done nothing, yet I think my colleague from Winnipeg said earlier today that they could have acted. They could have acted and refused to act. Indeed as the Member for Skeena (Mr. Fulton) has pointed out, the issue has been fudged all along. They could have fought, in the Free Trade Agreement, for the protection of the West Coast fishery as they did for the Atlantic. They could have insisted that it be on the table, but they did not. They let that go by. They put it on the table as a bargaining chip. They gave it up. It was a give-away on behalf of the Government of Canada. They must be held to account for that.

Second, they could have vetoed the GATT ruling. My understanding is that Canada had the right to veto the GATT ruling when it was made, yet it decided not to. The Government did not veto the ruling. Instead, it attempted to implement regulations to ensure that fish were landed, graded, and eviscerated in Canada. Those regulations are not going to hold up.

What these regulations do and what the actions of the Government of Canada do are to put the fishermen and plant workers on the West Coast of Canada on the same footing as those in the United States. The fishing industry in the United States now has the same equal opportunity to Canadian fish as do Canadian fishermen and Canadian plants.

What has really happened is that we have given up our sovereign right to develop our own natural resource.

I want to point out that we can talk all we like about the changing market-place and changing economy. The fact is that on both coasts, we are still a resource-based economy. There are not the alternatives that are available in parts of central Canada and other parts of the country. The East and West Coasts are still resource-based economies. What Canada has now done is to give up our right to control the harvest of the sea.

I think the Government has to be held to account for that, because there will not be equality. Americans and Canadians are not on the same footing. The fact is that in the U.S., there are lower wages. In the U.S., there are no medicare costs. In the U.S., there is no national unemployment insurance program. That means that the U.S. is in a better position to compete for Canadian fish than our Canadian plants. We are going to see jobs going

to the U.S. We are going to see jobs going to the U.S. on the West Coast just as we are for the East Coast.

The brief that was put together by the West Coast people points out very vividly and very graphically that the Atlantic coast is at risk as well.

My colleague from Bonavista—Trinity—Conception was criticized by the Minister for International Trade (Mr. Crosbie) this afternoon for focusing on the Atlantic coast. As I pointed out earlier and as is pointed out in this brief, this is not simply a West Coast issue. The West Coast is at risk right now. The West Coast is concerned. The West Coast is threatened. The Atlantic is no less threatened. Our turn will come. This brief points out that the future of our coastal communities is threatened by the Government's apparent inability to protect and manage our marine resources. All four maritime provinces have long had legislation giving them the right to control or eliminate the export of unprocessed fish. This legislation was grandfathered into the Free Trade Agreement. Similar regulations protecting B.C.'s salmon and herring were specifically excluded.

It was a short-lived victory for the maritime industry because it is at risk too. Many of our products will be at risk. The implications for the Atlantic fishing industry are clear.

The Member for Skeena referred to Article 12.03 of the Free Trade Agreement. There is nothing to prevent the U.S. from challenging the Atlantic statutes in the GATT. The Tory Government has, in effect, conceded that we do not have the right to restrict the export of unprocessed fish in order to protect jobs on the West Coast. The same applies to the East Coast because the Government has treated us in the same way.

This afternoon, the Government and Minister for Trade claimed that the overriding principle behind the actions of the Government is to respond to protectionism in the United States. They were afraid of what would happen. They were afraid of the threat from the U.S. if we did not sign the Free Trade Agreement. That is the overriding principle. We had to do it. We had no choice. We had no option. We had to operate within GATT. We cannot exclude ourselves from GATT. We cannot ignore GATT. We cannot challenge GATT. We cannot overrule GATT. We cannot veto GATT.

That is what the Minister of Trade said this afternoon. That is the underlying principle behind the actions of the Government. Surely, there is a more important principle. That is the sovereign right of Canada to harvest and manage its own resources for its own people. Surely that is a more fundamental principle. If we give up that principle, we are really giving up our nationhood and sovereignty as Canadians. I submit that that is the underlying principle.

The Government has caved in to American interests. We are suffering the consequences. What are the alternatives? Has the Government thought about that? What is going to happen to those people?

Nobody has lost their jobs yet. The Minister of Trade admitted this afternoon that they could. Maybe fishermen will not lose their jobs, but plant workers may. The Minister of Trade admitted that in the House this afternoon.

• (1740)

What are the alternatives? I can tell you that on the East Coast there are no alternatives. The fishing industry is the mainstay of our economy. Why are there 500,000 people in my province yet millions of Newfoundlanders spread across the country? Why are they in Tuktoyaktuk, Thompson, Manitoba and Galt, Ontario. Why are they in Toronto? Why are they in other parts of the country? They are there because the jobs are there. They have been forced to go to those places to look for work. Now, with the crisis in the fish stocks off the East Coast, there will be more people going down the road.

At the same time, the Canadian social security system is beginning to be dismantled. Today we were having a debate in Question Period and the main theme was the unemployment insurance program. We have had that safety net to fall back on. It has not been available to the Americans, but we have had it here and we can be proud of the social security system that we have had.

At the same time as the fishing industry is in crisis on the West and East Coast, at the same time that jobs are threatened in the fishing industry on the West and East Coast, at the same time where there are very few, if any, alternatives for employment on those coasts, the Government is starting to dismantle the Canadian social security system.

Under unemployment insurance a person will receive less benefits and have to work for more weeks in order to quality, and will have to pay more premiums. With the money that it gains, the Government is going to start to train people. It will not provide jobs, but it will train people.

For what will the Government train a 40 year-old fisherman who lives in a small community of about 500 on an isolated coast? He is going to lose his job. His children are the ones who will be affected. His wife is the one who will suffer. His community will suffer. The Government states it is going to stop paying those social security payments to people who are out of work through no fault of their own and it is going to train them. For what is the Government going to train that fisherman whose livelihood is affected, and whose family's livelihood is affected as a result of the negligence of the Government?

It is a myth, and an idea that has jumped full blown from the vivid imagination of some central Canadian bureaucrat. It does not make any sense at all. The management policy does not make any sense, and the social security policy does not make any sense for both the West Coast and East Coast. Whose interests are being served, I do not know, but it is not the people who live on either coast. Those are the implications of what has happened.

This Government prefers to let market forces govern no matter what, and particularly if those market forces originate in the United States. In this country we are falling into a master/slave relationship with the United States. Someone today stated that we are starting to become second-class citizens in our own country. That is what is happening.

Mr. Benjamin: We used to tell the Liberals that, too.

Mr. Rompkey: The second thing that is happening is that rural and small-town Canada is being cut adrift. These regulations and policies may very well work in the larger cities of Canada, but they do not make any sense at all in rural and small town Canada.

That is what is happening as a result of the GATT ruling. That is what is happening as a result of the free trade agreement. That is what is happening as a result of the policies of the Government of Canada. Market forces are being allowed to rule and they will rule us right out of existence. We are going to see a shut-down. Our leader stated during the campaign that rural Canada and small-town Canada is cut adrift. That is the effect of the legislation.

I applaud the motion of the NDP. We in the Atlantic area stand with our brothers and sisters on the West Coast in opposing the policies of the Government in fisheries management. I applaud the NDP for bringing forth this motion today.

[*Translation*]

The Acting Speaker (Mrs. Champagne): It being 5.45 p.m., it is my duty, pursuant to Standing Order 81(14), to interrupt the proceedings and put forthwith all questions necessary to dispose of the supply proceedings now before the House.

[*English*]

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the yeas have it.

And more than five Members having risen:

The Acting Speaker (Mrs. Champagne): Pursuant to order made Tuesday, June 13, 1989, the recorded division stands deferred until 6 p.m. on Monday, June 19, 1989.

[*Translation*]

It being 5.46, the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

The House adjourned at 5.46.

HOUSE OF COMMONS

Friday, June 16, 1989

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

CANADIAN TRANSPORTATION ACCIDENT INVESTIGATION AND SAFETY BOARD ACT

MEASURE TO ENACT

The House resumed from Monday, June 12, consideration of report stage of Bill C-2, an Act to establish the Canadian Transportation Accident Investigation and Safety Board and to amend certain Acts in consequence thereof, as reported (with amendments) from the Standing Committee on Transport, and the motion of Mr. Tobin:

Motion No. 9

That Bill C-2 be amended in Clause 19 by adding immediately after line 33 at page 19 the following:

"(17) An employee statement obtained pursuant to a collective agreement is privileged, and no person shall have access to such statements, except as authorized in writing by the person who made the statement."

Mr. Tobin: Mr. Speaker, I rise on a point of order. At the last consideration of Bill C-2, I believe the House was debating Motion No. 9 which stands in my name. At that stage I had already spoken on the motion, as had a number of other Members. Certainly on this side on this particular motion there will be no more speakers. We will have speakers on Motion Nos. 10 and 11.

Mr. Speaker: I think that the House will know we are on Motion No. 9, and the Hon. Member for Regina—Lumsden has the floor at the moment.

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, I do not know what that point of order was in aid of.

As I was saying last Monday, I wish the Parliamentary Secretary would have stood up and said on each of the amendments which we have debated why they were not acceptable to the Government and for what reasons. Following the discussions in the committee on each of these items, my colleague, the Liberal Party critic and myself came in with amendments going at the same matters in a different way, hoping that that would satisfy the Government's earlier objections. We still cannot find out why they do not like these amendments. The Parliamentary Secretary did not rise. I noticed that the chairman of the committee was here for prayers, but he has now left. I was hoping that he would rise.

• (1010)

I do not think an employer should be allowed to take a statement from an employee involved in an occurrence, incident or accident until after the investigator for the board has taken a statement. In other words, just like the scene of an occurrence or accident being quarantined until the board investigator has arrived at the scene, so should those employees who are affected. They should be quarantined from the tender mercies of their employer who might want to take a statement for disciplinary purposes or other reasons. That is why I feel the Hon. Member's amendment does not go far enough. However, it is a good amendment in that it protects the confidentiality of the statement taken from the employee. This is a good principle and one that we support. I urge government Members to accept it as well.

There is not sufficient protection either in the collective agreement as it would pertain to this Bill or in other statutes, and we want to secure the privilege of those statements given by employees, be they management or rank and file. I urge government Members to accept this amendment. It will be supported by my colleagues and I, and I trust that the Government has seen the error of its earlier ways and will accept this amendment.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 9 standing in the name of the Hon. Member for Humber—St. Barbe—Baie Verte (Mr. Tobin). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 76(8) the recorded division on the proposed motion stands deferred.

The next question is on motion No. 10 standing in the name of the Hon. Member for Regina—Lumsden (Mr. Benjamin).

Mr. Les Benjamin (Regina—Lumsden) moved:

Motion No. 10

That Bill C-2 be amended in Clause 24 by adding immediately after line 36 at page 22 the following:

"(3) The Board shall append to the final report any recommendations made in the draft report but not included in the public report, and recommendations and comments made by the Minister of Transport or any other Minister or observer designated as such under 23(2)(d)."

He said: Mr. Speaker, in the committee, we initially tried to have three parts of Clause 24 deleted from the Bill because of something to which all members of the committee agreed. The Canadian Transportation Accident Investigation and Safety Board must not only be independent but must be seen to be independent. Lo and behold, the Bill provides for a draft of the final report of the board on any accident or incident in any one of four modes of transportation to be sent to the Minister and other observers to make comments and representations.

We lost out on getting that provision deleted from the Bill so the purpose of this amendment is to ensure that not only is no influence attempted but that there is no perception that some influence may be attempted to be placed on the board by some external force and go unnoticed.

If a major change is made to the final report, the public one, the only way of finding that out is to compare it to the draft report which quite correctly has limited release. Originally, we wanted to do away with the concept of a draft report altogether. Then we tried to see that the draft report have wider distribution. This failed because of the very good reason of confidentiality. That position may not be supported by the Liberals, though I hope they will support it, or Members on the Government side. Government Members certainly do not want to see this happen. However, it was suggested by several groups that we must make this attempt.

The Chief Executive Officer of the Canadian Railway Labour Association representing some nine railway unions said that the unions wanted no part of this, would not be the slightest bit interested in getting a draft report and that the draft of the final report should not go out to anyone.

During the course of an investigation and during the course of board hearings, the Minister will have an observer on hand as well as at the site of the accident or incident. So will the other representatives of employees or companies involved. Those who qualify as observers under the legislation will have ample opportunity to make representations both to the chief investigator and to the board when it is deliberating, hearing witnesses and receiving evidence obtained by the investigator and provided by other sources. There will be ample opportunity for them to make their views known and to comment on whether or not they think there are any omissions or if an investigation was carried on improperly or insufficiently before the final report is drafted. Therefore, I do not see any need for a draft of the final report to be sent out for people to make comments on.

Since people will be allowed to make comments on a draft report, we are trying to provide here that any representations, comments or requests made by the Minister or any other Minister or any qualified observer who receives the draft of the final report shall be appended to the final report. Then we can check to see what differences there are between the draft report and the final report. It will all be out in the open as to what

kind of comments and recommendations were made by the Minister or others.

• (1020)

I do not want anyone in the Chamber to get mixed up. There are interim reports which have nothing to do with this section. Interim reports are covered in Clause 25, and will be made by the board as and when it deems necessary to correct something that occurred and could be a cause of further accident or occurrences. This will have the matter corrected without waiting for a final report. The Minister may request interim reports if he thinks there is something wrong somewhere and wants to be able to act on it. He can call the board up and request an interim report. We are not suggesting that there be any changes in that.

However, I do not think the draft of the final report should go out to anyone anyway, but since it is going to, the public has a right to know. It should be perceived as well as believed that the board is independent; that no improper pressure or influence was attempted on the board in order to get it to change the draft of the final report.

That is why we are asking in this amendment that all representations made by the Minister or other observers have to be appended to the final report. Then everyone will know, and that will enhance the independence of the board. It will not only appear to be independent but it will be. All its proceedings will be in public, unless for a specific reason it orders some portion of a hearing to be *in camera*, but generally speaking everything is out in the open.

That is why in this draft report there should be no opportunity or temptation for anyone to attempt, in an improper manner to influence the board or get it to change what it feels should be in the final report. If the board does make a change, we can see what requests or representations were made, what change the board made, and the reasons for it. If they are proper and justified, that is fine. Again, it is out in the open.

The Government should be leading the line-up to enlarge and enhance the real independence of the board. This amendment does in fact do that. I hope the Government will decide that at least this amendment does improve the legislation, does enhance the independence of the board and ensures even more that no one can exercise any undue influence, pressure or improper action upon the board, its members or any of its staff.

Once the final report is delivered to the President of the Privy Council, copies should go to all the Ministries and to interested observers and interested parties. I presume that the report will also be referred to the Standing Committee on Transport. If it is felt that anything is fundamentally wrong in the report, by the Minister or any of the observers, the Minister can make further inquiries. If there are omissions or inadequacies in the final report, it can be gone into again by the Minister or by anyone else he may appoint to do that.

I hope the amendment will find favour with all my colleagues and that it will receive the support of the Government and the Official Opposition.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, the Hon. Member for Regina—Lumsden (Mr. Benjamin) spoke with such characteristic eloquence on the rationale and with powerful reasoning and persuasion behind the authorship of the amendment that he proposes to the House that there is not much that I or any other Member could possibly add that would enlighten Members.

We in the Official Opposition support the amendment of the Hon. Member. We support the basic notion that justice must not only be done, but must be seen to be done, and the independence of the board must not only be practised, but must be seen to be practised.

What the Member is proposing in his amendment is that, given in the process of investigating and coming to conclusions about an accident or occurrence in the transportation field, and quite possibly a loss of life, it is extremely important that public confidence in our investigation agency be maintained, especially in the light of the Gander experience and the deep division on the CASB board, the conflicting opinions about what caused the crash and terrible loss of life in Gander.

Given that it is important that public confidence be maintained, the Member proposes to the House that any draft report, and there is a provision for a draft report in this Bill, submitted to Ministers of the Crown prior to a public release of a final report, and any draft report carry with it an obligation that any comments by Ministers, and more importantly any subsequent changes to the draft that are reflected in the final report, be noted when the final report is released. The public will then have an opportunity to see whether between the draft and the release of the final report there have been any changes, and if there have been, who recommended them and on

whose advice were changes made. In other words, the public needs to know there is not an ability behind closed doors or in secret away from the public's eye to change a recommendation.

I hope that the people appointed by the Government to serve on this board are people of such credibility and integrity that that type of practice would not be permitted in any case. I would hope that the Ministers of the Crown undertake their responsibilities in such a manner that they would not attempt to exercise that type of influence in any case. I and all Members would expect that.

However, if there is nothing to hide, and I submit there is nothing to hide and we take the Government at face value in submitting this Bill, then there should be no hesitation in supporting the amendment of the Hon. Member and providing for the full disclosure of recommendations made at the draft stage, and more importantly the ability to see what changes were brought about in the final report as a result of those recommendations made at the draft stage.

We support the amendment of the Hon. Member for Regina—Lumsden.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 76(8), a recorded division on the proposed motion stands deferred.

• (1030)

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte) moved:

Motion No. 11

That Bill C-2 be amended in Clause 32 by striking out lines 19 to 25 at page 31.

He said: Mr. Speaker, this is the final amendment proposed by the Liberal Party to Bill C-2, but frankly I think it goes far beyond the purview of the Bill, which is the whole question of accident investigation. I submit that the amendment is fundamental to Members of the House because the principle expressed in Clause 32 has a direct impact on the whole notion of the principle of fundamental justice.

Members of Parliament who have not been part of the committee process should know that the clause we are seeking to amend by this motion is Clause 32 of the Bill. It is a clause that sets out the responsibilities of an investigator, that is somebody who goes out and conducts the investigation into an accident on behalf of the multi-modal agency.

This particular clause sets out the responsibilities of an investigator *vis-à-vis* a court of law, in particular whether or not there is litigation before a court of law having to do with the cause of an accident when victims or their families may be attempting to seek legal redress. In short, they are suing those who may have been responsible for an accident.

I want to read the clause that I am trying to amend, because I think Members will understand that what we are talking about is far more important that just this Bill. There are three sections to Clause 32. The section I am attempting to amend reads:

> An investigator whose evidence may be admitted by affidavit under this section is not compellable to appear as a witness in the proceedings unless the court, coroner or other person or body before whom the proceedings are conducted so orders, for special cause.

I ask Members to reflect upon that. The evidence of an investigator may be admitted before a court of law, yet the investigator who submitted and drafted the affidavit is himself not automatically compelled to appear in a

court of law to defend the conclusions he has reached. The defence does not have an automatic right to cross-examine the author of an affidavit that is submitted in a court of law as evidence. I want Members to think about, especially those who are members of the Bar, what this amendment says.

As I just said, this clause is comprised of three sections. In referring to the affidavit, the first section of the clause reads:

> —in any legal, disciplinary or other proceedings and, in the absence of evidence to the contrary, is proof of the truth of those observations.

In the absence of proof to the contrary and in the absence of evidence to the contrary, the affidavit as submitted by the investigator will be accepted as proof of the truth of those observations.

We have a situation in which an affidavit authored by an investigator may be submitted to a court of law. In the absence of evidence to the contrary, it will be accepted as proof of the truth of the observations. The investigator himself has no automatic obligation to appear before a court of law to defend his observations, unless the party in question who takes exception to those observations proves to a judge that there is cause to disturb the investigator in his normal duties and compel him to appear before a court.

The fundamental principle of justice, I submit, is the right to cross-examination. It is an automatic right. I question that notwithstanding putting this clause in the Bill whether or not any judge will pay any attention to it anyway. I submit it is not for Parliament to make any kind of determination on who should or should not appear before a court of law, to make any kind of judgment or to try to send any kind of signal to a coroner or a judge that only in exceptional circumstances should an investigator of the Crown be called to defend his observations. I submit Parliament in this context really has no role whatsoever in trying to give direction to a court, to a coroner, or to an inquirer.

The effect of my amendment is simply to wipe out entirely subclause 32(3) which indicates:

> An investigator whose evidence may be admitted by affidavit under this section is not compellable to appear as a witness in the proceedings unless the court, coroner or any other person or body—so orders, for special cause.

Its seems to me it is not for Parliament to make that determination. It is for a court. I do not think that Parliament in any way, shape, or form should seek to give advice to a court or should seek to indicate that it is our desire, unless there is special cause, that the normal right of the defence should not be exercised.

I submit that if we care or value at all the fundamental notion of justice, which must have as its centre-piece the right of cross-examination, Parliament would be acting in a wise and judicious manner in simply removing a clause that not only directly impacts on the ability of people to cross-examine a witness in terms of the proceedings of the multi-modal Accident Investigation Board but sets a rather onerous and dangerous precedent in legislation enacted by Parliament.

I cannot find anywhere in any federal legislation any precedent for this kind of clause being contained in the Bill. It does not exist in any other legislation that has ever been passed or contemplated by the Parliament of Canada.

By the way, I submit that the Government means no harm; there is no devious plot nor evil design on the part of the Government. It happens to be one of those things that in the process of drafting a Bill is slipped in, perhaps with another intention.

I can tell Members that the intention is that investigators are quite frequently tied up in court having to defend their observations as contained in affidavits. The Government is concerned that their investigators spend their time out investigating accidents, not being tied up in courts. That is a fair comment on the part of the Government, but which is the greater need? Is it the need to free up our investigators from a court of law, or the absolute primary requirement to ensure that justice is upheld and that the fundamental right of cross-examination is maintained?

It may be inconvenient for the Government to have investigators tied up in the courts. It may be inconvenient for the investigators. It may tie up valuable time, but we cannot solve a problem of inconvenience on the part of investigators by tinkering with one of the fundamental tenets of our justice system, the right to cross-examination.

I do not allege any evil design. I do not allege any plot or conspiracy. I simply allege sloppy drafting of this Bill. I simply allege that those who seek to solve the problem of an investigator spending more time than he likes in a

court of law have interfered in a fundamental way in sound and basic principles of justice. I would call upon Members to remove this clause.

The only effect of removing this clause will be to put back into the hands of the courts, the coroner, and the judges, back where it belongs in the judicial system or normal body of inquiry, the decision on who appears or does not appear as a witness.

Parliament should not be attempting to give any direction whatsoever. We should not deny or reduce even in the slightest manner the possibility of a lawyer, representing a client, having an investigator come to defend the accuracy of his observations.

I hope that Parliament, in a non-partisan way and in the interests of producing a better Bill and a good Bill, will accept the amendment that I propose. I submit this simply in the interest of ensuring that we produce good legislation and do not inadvertently interfere, in a Draconian way, in the proper proceedings of justice.

• (1040)

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, I must confess that I am something of two minds on this amendment. The clause that my good friend wishes to have deleted ends with the words:

> —unless the court, coroner or other person or body before whom the proceedings are conducted so orders—

Mr. Tobin: "For special cause". Leave it to the court.

Mr. Benjamin: Of course, that is designed, I gather, so that when there is a lawsuit involving hundreds of millions of dollars following an air crash which drags on for three or four years, a top-notch investigator of the board is not spending months and months sitting around in the court room. That is nice. I agree that it is not a good thing to have happen.

On the other side of the coin, the remarks of my colleague are well taken. If an attorney for a claimant wishes to dispute evidence in an affidavit or brings in other expert witnesses who dispute what is in an affidavit of an investigator, all that attorney has to do is ask the court or the coroner to order that he appear. However, that does not guarantee that the court or the coroner will so order. If the court decides not to issue an order, there is no way the author of the affidavit can be questioned as to its accuracy or otherwise.

The deletion of this clause means that an attorney in a court, or one involved in litigation following an accident, may just call him as a witness. If he does not come, then he can ask for a subpoena. However, it makes it easier for an attorney who, let us say, is acting for the families of people who were killed in an occurrence. Deleting this clause makes it easier for that attorney to have the investigator appear.

Mr. Tobin: It maintains the *status quo*. That is what it does.

Mr. Benjamin: In other words it keeps things the way they are. Frankly, if a court were not to order it, I suspect there would be appeals and a higher court would strike this clause down. I think it would be thrown out of court. I think that the Parliamentary Secretary would have to agree with me, even though I am not a lawyer and I do not think he is either.

Mr. Belsher: Thank goodness.

Mr. Benjamin: From many a legal discussion I have had with legal eagles, they think that this is a pretty weak piece of legislation, a pretty weak clause which is not likely to stand up on appeal, and that a higher court will just strike it down. That would involve appeal after appeal and dragging the case out even longer at great cost to everyone concerned, including the Government.

On balance, I agree with the Hon. Member. I think that his motion should be accepted. We should delete subclause 32(3). I do not think it serves much of a purpose anyway. It will not accomplish what the Government would like it to accomplish.

I fully agree with my colleague that anything that even appears to impinge upon what is a fundamental tenet of our justice system is not good law. We should not have anything in the Bill which appears to impinge. It might be all very well to say: "Well, this would never happen anyway, the court would order him to appear, or the coroner would order him to appear". We cannot be sure of that. In that situation in a court case subsequent to an accident justice would not be fully done. If a court or coroner fails to issue an order then justice would not be fully done.

I agree with my colleague that this is not a partisan issue. I think all members of the committee felt strongly about this legislation and think that it is basically good

legislation. We have moved some amendments and a few of them were accepted at committee. We did this to try to make a better Bill. That was the intention of all members from all sides in the committee. It was the intent of the motions my colleagues and I have moved at report stage. They are in order to make a better Bill.

I sometimes wonder why I spend so much time trying to help rewrite the Government's legislation in order to make it better. Maybe we should just let it go through as it is and let the Government get into a lot of trouble. However, if one is a responsible parliamentarian, one tries to do one's job and hopes to get the Government to mend its ways.

I do not think there is any malicious intent or devious intent on the part of the Government. It was just an attempt to set some kind of a limit on how much time an investigator might have to spend in a trial because he is required as a witness. I do not think this clause will accomplish that. The greatest danger is that the right to cross-examine is harmed in any way, shape, or form. I hope the Government will accept this amendment as well as the others which we have put forward when it comes to voting on them on Monday night.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 11, standing in the name of the Hon. Member for Humber—St. Barbe—Baie Verte. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 76(8), the recorded division on the motion stands deferred.

[*Translation*]

At this time, the House should proceed with the deferred divisions at report stage of the Bill now before the House. However, pursuant to Standing Order 45(6), the divisions are deferred until Monday, June 19 at 6 p.m.

* * *

[*English*]

FORGIVENESS OF DEBTS (SUB-SAHARAN AFRICA) ACT

MEASURE TO ENACT

The House resumed from Friday, May 26, consideration of the motion of Mrs. Landry that Bill C-10, an Act relating to the forgiveness of debts incurred or assumed in respect of certain official development assistance loans made by the Government of Canada to the Governments of certain countries in sub-Saharan Africa, be read the second time and referred to a legislative committee.

Mr. John Brewin (Victoria): Mr. Speaker, I should emphasize that this Bill has the support of our Party and I hope the support of all Members of the House.

Before we vote on the Bill I want to take this opportunity to discuss, for a few moments at least, the issues which underlie this legislation.

• (1050)

The Bill itself would forgive the debts of certain sub-Saharan African countries. As I understand it, the House has already provided in past budgets for the funds that would be covered by this Bill, but the Act itself is necessary. It gives us an opportunity to speak directly to the issue of Third World debt and to speak, therefore, about one of the most pressing problems in the world, that of the crushing burden of debt on societies which comprise probably two-thirds of the people of the planet.

If we were to pause and review our stewardship of this planet, we would quickly come to see four related problems: first, the problem of the environment; second,

the arms race; third, the issue of lack of freedom; and fourth, the issue of poverty. As the Brundtland report has so eloquently and clearly shown, these issues are inextricably linked.

Today in this country the issue of the environment stands at the forefront. The environment is threatened, not just by this society's overuse of resources, but by the tremendous increase in the use of chemicals and other substances which attack the air we breathe, the ozone layer, the oceans, and the waters. Throughout the world the environment is under attack, in part because of the extraordinary expenditure on the arms race and because of the distortion of economic resources that go to the arms race. This in turn has put pressure on Governments and others to seek to control in the most arbitrary ways the freedom of their people who seek themselves to press for the use of resources for the basic fundamentals of human existence.

All this has driven millions, if not billions, of people in the world to live in crushing poverty, which in turn puts pressure on the environment and resources. In many countries of the world, the forests, the waters, and the lands are under assault because of the desperate need of people just to meet the basics.

With regard to our responsibility as a country, most of us live in an affluence that previously was undreamed of in human history. Our affluence assaults the environment of the Third World and contributes to the poverty of so much of the Third World. Since the end of the Second World War, Canada has participated in efforts to try to improve the economies and the social conditions in other parts of the world. One of the major ways that has been accomplished has been through Official Development Assistance. For years, however, our Official Development Assistance has been in the form of loans to Third World countries, which have normally required repayment over a period of time.

At the same time, we have been giving a relatively paltry sum to assist the development. We have been making it increasingly impossible for Third World countries to meet the obligations we have imposed upon them. Changes in exchange rates, lack of fixed prices for commodities, and total instability in the international economy imposed through our multinational institutions have created a situation in which Third World countries have found it impossible or very difficult to meet the obligations imposed on them. Probably more money is leaving, both from government and commercial loans, to pay them back and to pay the interest thereon than we are turning back to the Third World to assist it in its economic development.

There have been a number of major studies in this regard. The Brandt report highlighted a number of years ago north–south issues, our interdependence as a planet, and the need to deal with Third World debt for our own interest economically.

The recent document entitled *Our Common Future*, commonly known as the Brundtland report, named after the chair of that committee, has linked those problems with the environment. This Bill would confirm at least the minimum, that is, the forgiving of debts we imposed on the Third World. The repayment of them has made it even more difficult for that cycle to be broken.

I would like to use this opportunity to call the Government to account for another policy which has been imposed, that is, the reduction in the budget of Official Development Assistance. It seems to me that it is the height of hypocrisy for this Government, on the one hand, to bring forward Bill C–10 forgiving debts which in some sense have already been forgiven and, on the other hand, to reduce significantly the funds provided through Official Development Assistance to break the cycle of poverty in the Third World.

I had an opportunity many years ago, in 1972–1973, to spend a year in Tanzania on a CIDA project. One of the feelings I had at that time was that while this program was on the face of it a donation by Canada to Tanzania and to the Third World, in the final analysis, myself and my family gleaned much more from Tanzania than Tanzania got from the program, even though I hope I was able to provide some assistance in the work that I did. Hundreds of thousands of Canadians have worked in the Third World under various programs: CIDA, CUSO, Canada World Youth, OXFAM, and many others. We have learned as much from these as we have given.

The Third World has given much to this country in the way of its resources, in its understanding of human history, and in both beauty and other values. The very least we can do is to adopt this Bill, and from this Bill we must take other more important steps toward the alleviation of poverty in the Third World. We must restore the cuts to Official Development Assistance. We must use our role in the IMF and the World Bank to assist the total restructuring of the international economy so that

this critical problem that faces the world today can be truly addressed in the immediate years ahead.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: It being eleven o'clock, the House will now proceed to statements by Members.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

EXTERNAL AFFAIRS

DEPARTMENTAL ACTIONS

Mrs. Pauline Browes (Parliamentary Secretary to Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, during the recent crisis in China, my office in Scarborough was contacted by a constituent who was unable to reach his son.

Bill Brown's son, Stephen, was teaching at the University of China in Wuhan. Officials at External Affairs worked tirelessly to locate him. This morning Stephen Brown arrived safely in Hong Kong.

• (1100)

On behalf of Mr. Brown and his family, I want to thank the Secretary of State for External Affairs (Mr. Clark) and his officials for the outstanding assistance that they provided. Their work throughout this crisis has been exemplary and I applaud those efforts.

* * *

THE ENVIRONMENT

RECOGNITION OF VOLUNTEER WEATHER OBSERVERS

Mr. Lee Clark (Brandon—Souris): Mr. Speaker, one of the events of National Environment Week which did not receive as much public attention as it deserved was

the announcement of Environment Canada's decision to honour hundreds of volunteer weather observers across the country.

These observers record morning and evening temperatures and the total precipitation each day in their respective areas. The data is forwarded to the Atmospheric Environment Service on a monthly basis and entered into the National Climatological Archives.

Since 1871 a network of 176 volunteer observers has now grown to approximately 2,300 strong. Climatological awards for volunteer service have been issued in my constituency of Brandon—Souris to the staff members at the International Peace Gardens, the Spence family of Medora, the Sexton family of Deloraine and the Lowe family of Waskada.

In addition a special award to the Renton family of Deloraine has been granted for 24 years of high quality weather reporting.

Thanks to these and hundreds of other volunteers, Canada's Climatological Archives have been greatly enriched.

* * *

[*Translation*]

EXTERNAL AFFAIRS

PEOPLE'S REPUBLIC OF CHINA—OPPOSITION TO EXECUTION OF DEMONSTRATORS

Mrs. Shirley Maheu (Saint-Laurent): Mr. Speaker, the Government of the People's Republic of China continues with the total and absolute repression of its people. The Chinese Government has arrested and imprisoned individuals who had the courage to tell the whole world, via the electronic media, the truth about the tragic events in China.

[*English*]

Canadians are particularly concerned with the death sentences imposed on three reformers in Shanghai. These protesters were accused of burning a train which minutes before smashed through a human barricade killing six demonstrators.

Reports say that no one was injured or killed as a result of the blaze set on the train. In my opinion, the real criminals were the authorities who ordered the train to proceed. Now, Mr. Speaker, the death toll as a result of this incident will increase to nine, unless people in

Canada write to the Chinese Embassy urging them not to impose the death penalty.

I call on the Government and all Canadians to express their deepest condemnation on the imminent execution of Chinese demonstrators. The global community must do everything in its power to prevent China's descent in ever deeper political turmoil.

* * *

SENIOR CITIZENS

NATIONAL SENIORS SAFETY WEEK

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, this weekend representatives of the Canada Safety Council are meeting in Winnipeg with seniors' interest groups to begin preparations for National Seniors Safety Week, November 12 to November 18.

The theme of the event is "Safeguard the Best Years of Your Life". Its purpose is to draw attention to safety issues affecting seniors, to identify accidents and health hazards which can confront seniors in the home and to promote measures which can be taken to reduce deaths.

Older Canadians sustain a rate of accidental death and injury approximately three times higher than the rest of the population. More than 20 per cent of deaths are caused by home injury with accidents due to falls heading the list.

A conference such as this one is vitally important in improving the quality of life of Canadian seniors. I applaud the council for its initiative in organizing this event and extend my best wishes for a successful National Seniors Safety Week.

* * *

MUNICIPALITIES

NATIONAL ACCESS AWARENESS WEEK

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, recently as part of the National Access Awareness Week, the Secretary of State (Mr. Weiner) presented the first ever five star community awards at the annual conference of the Federation of Canadian Municipalities in Vancouver.

The awards recognize communities across the country that demonstrate a strong commitment to the ideal of full and equal access for disabled Canadians in the five star areas of transportation, housing, employment, recreation and education.

The awards ceremony was the crowning moment for a very successful National Access Awareness Week in which more than 400 communities participated.

The Minister gave 16 awards to the civic leaders of 14 cities, towns, districts and a regional municipality in recognition of their action to improve community access for people with disabilities. Two cities, Kitchener and Ottawa, each received two awards.

Let us join all Canadians in congratulating this year's recipients of five star community awards for their contribution to the integration of people with disabilities into the mainstream of Canadian society.

* * *

DISASTERS

EXPLOSION OF PETROLEUM PRODUCTS

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, last night at a company work site on Plinkquet Street in my riding of St. Boniface thousands of litres of petroleum products exploded, shooting clouds of smoke, and I quote from the newspaper report:

> —hundreds of metres into the air, creating an inferno of flame too hot for firefighters to approach—

Between 150 and 200 homes were evacuated within two kilometres of the fire. At least six chemicals were stored at the plant. One, in particular, methylene chloride, becomes an extremely toxic hydrochloric acid when exposed to air and mixed with moisture in the lungs.

I call upon the Minister of National Defence (Mr. McKnight) to provide this House with details of his Department's involvement, if any, in the evacuation and subsequent handling of this particular situation. I also call upon the Minister to inform this House as to how well the evacuation procedures undertaken last night worked.

I would call upon the Minister of National Health and Welfare (Mr. Beatty) and the Minister of the Environment (Mr. Bouchard) to inform the House regarding the potential health hazards which may have occurred and which still may be of concern to the residents of St. Boniface and the surrounding areas.

[*Translation*]

MINES

RECOMMENDATIONS OF THE CANMET PROJECT JOINT ACTION COMMITTEE

Mr. Guy St-Julien (Abitibi): Mr. Speaker, the Canmet project joint action committee in northwestern Québec submitted its report on June 12, 1989 to (Québec) Mines Minister Raymond Savoie and to Assistant Deputy Minister Marc Denis Everell, who is responsible for Canmet. At a press conference, Claude Drouin, committee chairman and executive director of the Québec Mining Association, reviewed the contents of the report and the committee's recommendations.

The committee's mandate was to support the emergence of a centre of excellence for mineral technology in northwestern Québec. Public consultations made the committee members aware of 13 interesting site combinations in the area of Rouyn-Noranda and Val-d'Or. The committee unanimously chose the Or Val site, which belongs to Aurizon Mines in the Val-d'Or mining area located in Abitibi-Témiscamingue. Mr. Speaker, this is an excellent choice because this site is ideal for establishing Canmet's mineral technology research laboratory in Québec.

* * *

[*English*]

PAKISTAN

ALLEGED PERSECUTION OF AHMADI MUSLIMS

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I rise today on behalf of the New Democratic Party to express our concern about the continued persecution of Ahmadi Muslims in Pakistan.

In Pakistan there are approximately five million followers of the Ahmadiyya movement in Islam. The Ahmadi Muslims are peace-loving people celebrating their one-hundredth centenary this year. Sadly, the Pakistan Government has prohibited centenary celebrations at the international headquarters at Rabwah. This repressive action is consistent with government behaviour towards the Ahmadiyya movement.

Ahmadi publications are censored, their right to freedom of assembly is violated and government measures incite intolerance toward them. Discrimination is a daily fact of life.

Actions against the Ahmadi people extend to violence. Ahmadiyya Mosques are regularly vandalized. Such an incident occurred as recently as last week. In April of this year a large mob set on fire over 50 homes. Many Ahmadi have been assaulted and some have been killed.

It was hoped that this persecution would end with the coming to power of Benazir Bhutto but this has not been the case.

I urge the Canadian Government to express in the strongest terms to the Pakistan Government that the actions against the Ahmadi people are unacceptable. I have already written to the Pakistan ambassador on behalf of the NDP.

* * *

[*Translation*]

THE LATE DAVID PEREGRINE

Mrs. Gabrielle Bertrand (Brome—Missisquoi): Mr. Speaker, today the arts world, and especially the Royal Winnipeg Ballet, is in mourning. At a press conference held in Winnipeg last night, the Ballet's artistic co-ordinator announced that their principal dancer, Mr. David Peregrine, 34 years old, tragically lost his life in a plane crash in Alaska.

Mr. Speaker, we all know that some day we will have to leave this earth, but we are rarely given prior notice. And when death takes away someone in the full flower of his professional life, the shock is even more intense.

On behalf of my fellow Members, I would like to extend our sincerest condolences to Mr. Peregrine's family and also to his family in the arts, the Royal Winnipeg Ballet, one of Canada's most prestigious ballet groups.

S. O. 31

• (1110)

[*English*]

NATIONAL CHAMPIONSHIP

TAGWI SECONDARY SCHOOL "REACH FOR THE TOP" TEAM

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, on behalf of the people of Stormont—Dundas, I would like to congratulate Tagwi secondary school of Avonmore, Ontario, on the victory of their Reach for the Top team at the national championships which were recently held in Winnipeg.

The Tagwi Team, comprised of coach Dan Maloney and students Allan Coleman, Stuart Pollock, Peter Simard, Claude Theoret and Neil Wheeler, can be proud of the excellent manner in which they represented their school and their province. They are indeed worthy champions.

* * *

[*Translation*]

POLITICAL PARTIES

FUNDRAISING METHODS

Mr. Jean-Marc Robitaille (Terrebonne): Mr. Speaker, yesterday and today, we read in the newspapers that both Opposition parties are going to resort to a fundraising method that is, quite frankly, outrageous. With the help of their friends in the financial world, our friends in the NDP and the Liberal Party are not only going to finance their operations by using credit cards, they also intend to swell their ranks by urging Canadians to borrow, at a time when a parliamentary committee is debating the skyrocketing interest charges on credit card balances, and even Opposition Members are criticizing banking practices on behalf of Canadians.

Mr. Speaker, the precarious financial circumstances of these two Parties seem to be more important than the interests of consumers. Personally, I feel Canadians will soon realize whose side the Opposition is on.

Voters did not put their trust in them on November 21 last year, and history now proves they were right. The Liberals, the world's experts on debt, have now embarked on a new era, an era of double talk. Our NDP friends, those sworn enemies of the Establishment, have just made a major about-face.

Mr. Speaker, the two Oppositions Parties are absolutely shameless!

* * *

[*English*]

ALASKA HIGHWAY

CELEBRATION OF FIFTIETH ANNIVERSARY

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, 1992 will be the fiftieth anniversary of the Alaska Highway. We, in the Yukon and northern B.C., are inviting the world to celebrate this anniversary with us by coming north and driving the highway.

In fact, the federal Department of Public Works has recently published a brochure on the highway which promotes this event. One activity will be a car rally.

It is crucial that the necessary funds are allocated to highway maintenance now to ensure that travelling this route is a pleasant experience, not only for northerners but for our visitors from all over the world and for the exciting activities planned.

For two years, the Minister of Public Works (Mr. MacKay) has received hundreds of signatures on petitions. There have been unanimous all-Party resolutions from the Yukon Legislature.

There have been numerous interventions by myself asking this Government to recognize the importance of this sole land route to northern B.C. and the Yukon.

I call upon the Government to immediately increase the level of funding for maintenance and improvement of the highway. Let's do Canada proud in 1992.

* * *

ENDANGERED SPECIES

SLAUGHTER OF ELEPHANTS IN AFRICA

Mr. Patrick Boyer (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, today 300 African elephants will be slaughtered by poachers and their tusks cut away by chain-saws to supply big bucks for the international illegal ivory trade.

Yesterday, 300 elephants were killed, tomorrow, there will be another 300. Altogether this year some 70,000 African elephants will be slaughtered.

Yesterday the Government of Canada announced that this fall it will vote to move the African elephant to the highest level of protection, that which is currently enjoyed by the Asian elephant under the convention for the protection of endangered species. In the meantime, the Government has indicated it will impose new restrictions to ensure that Canada does not become a dumping ground as part of the illicit ivory traffic. It is actions like that which Canada has taken and must continue to take as part of a global response to see that the endangered species on this planet get the protection they deserve.

* * *

THE LATE DAVID PEREGRINE

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, I rise on two matters today. First, I note with sorrow that the Royal Winnipeg Ballet has been hit by tragedy again in the death of its principal dancer, David Peregrine.

Mr. Peregrine received international recognition when he won the Bronze Medal at the World Ballet Concour, partnered with Evelyn Hart. He had been with the Ballet since 1975 and its principal dancer since 1980. Mr. Peregrine will be greatly missed by the company.

* * *

THE ENVIRONMENT

CALL FOR FEDERAL IMPACT ASSESSMENT

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, Consolidated Professor Mines Ltd. has recently applied to operate a gold mine at Shoal Lake, Ontario, the source of Winnipeg's drinking water. A recurring consequence of the mining of gold is the production of arsenic. As a result, there is a fear that Winnipeg's water could become contaminated.

The building of the mine would touch on several areas of federal responsibility, namely fisheries, Indian Affairs, interprovincial waterways and international affairs since Shoal Lake is an arm of Lake of the Woods, an international waterway.

Further, this Government has already promised Canadians a safe drinking water act. This is the perfect opportunity for the Government to demonstrate in action, not just words, its commitment to the environment.

The Minister of the Environment (Mr. Bouchard) has pledged to Canadians that he would put the environment ahead of profits. Let the Minister demonstrate this commitment today by putting the safety of over half a million peoples drinking water ahead of the profits of one company.

I urge the Government to listen to the Winnipeg Water Protection group and undertake a full federal environmental impact assessment.

ORAL QUESTION PERIOD

[*Translation*]

EXTERNAL AFFAIRS

VIOLATION OF HUMAN RIGHTS IN PEOPLE'S REPUBLIC OF CHINA—GOVERNMENT POSITION

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, my question is for the Secretary of State for External Affairs.

The Minister met with the Ambassador of the People's Republic of China yesterday, I think. Did he have the opportunity to express to him the indignation Canadians feel with the ever more frightening increase in the number of violations of the most basic human rights in China, and in particular, did he warn the Ambassador that the killing or execution of students who were sentenced in such summary fashion could have very harmful consequences for future relations between the Government of Canada and his country?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I had a meeting here yesterday with the Ambassador of the People's Republic of China. I expressed the grave concern of the Government of Canada and Canadians with respect to reports on the treatment and execution of students in China.

I indicated that it would be impossible for Canada to consider a "business as usual" situation, as suggested by some Chinese spokespersons. I stressed the importance of this issue for all Members of the House.

In fact, I gave the Ambassador a copy of the official report of last week's *Debates* to show clearly and directly what was discussed and the questions and answers here

in the House, so as to leave no doubt in the Chinese leaders' minds as to what Canadians think.

I asked that our opinions be passed on to China's leaders.

[*English*]

ACTIONS TO BE TAKEN AT UNITED NATIONS

Hon. André Ouellet (Papineau—St-Michel): Mr. Speaker, I thank the Minister for his words. Certainly, it will be more significant than just words if Canada takes some initiative at the Security Council at the United Nations. I understand that the Minister is still looking at this possibility.

Ambassador Fruitier will be here next week. Will he then be in a position to tell us precisely what type of specific actions Canada could take at the UN to enhance the positions which the Minister is indicating by words but not yet by action should be taken.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, in so far as actions are concerned, the Hon. Member and the House will know that Canada has recalled our ambassador for consultation, as other countries, I believe, have not yet done. We are actively examining actions that can be taken through the United Nations.

I am asked a specific question as to whether or not Ambassador Fortier will be in a position next week to indicate precisely what action might be taken. I cannot answer that question. I do not know whether he will be in a position next week.

I can assure the Hon. Member that we are examining every avenue that is open to us which would result in effective action. Next Thursday morning I will be convening, at the Prime Minister's request, a national round table involving Canadians expert in China, including Canadians of Chinese origin, so that we can supplement the work of the Government at home and internationally with the advice of the Canadians who are knowledgeable about China.

I do not think there is any doubt about the attitude of the Government or the people of Canada. There is, given the nature of international institutions, the challenge in trying to find ways to make our views be felt effectively. I assure the House that we are pursuing that vigorously.

[*Translation*]

POSSIBLE DEFECTIONS—GOVERNMENT POSITION

Hon. André Ouellet (Papineau—St. Michel): Mr. Speaker, I have a supplementary. Can the Minister confirm this morning that there have been a number of defections from the Chinese embassy here in Ottawa and that a number of Chinese have asked to remain in Canada? If so, could the Minister tell the House that these people are welcome and that everything will be done to make it possible for them to remain in Canada and obtain landed immigrant status as soon as possible?

• (1120)

[*English*]

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, in very general terms, regarding citizens of China who might indicate their desire to stay in Canada, we would respond to those cases in the most sympathetic way.

It has been the practice of Secretaries of State for External Affairs for some time not to comment on specific questions regarding events relating to personnel of embassies or consulates, and I think it would be wise for me to respect that practice.

* * *

SECURITY

TESTIMONY OF CSIS DIRECTOR

Mr. John Nunziata (York South—Weston): Mr. Speaker, in the absence of the Solicitor General, I direct my question to the Secretary of State for External Affairs.

Yesterday at the Justice Committee, the Director of the Canadian Security Intelligence Service refused to confirm or deny the presence in Canada of the MSS, the Chinese security intelligence service. The Director, however, was prepared to confirm the presence in Canada of other hostile foreign intelligence services. I would submit that the Government has an obligation and indeed a duty to be forthright in this matter.

Is the Secretary of State for External Affairs aware whether or not the MSS, the Chinese intelligence service, is operating in Canada?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I paid particular attention to the testimony of the Director of CSIS yesterday. He indicated that the service keeps an eye on the situation concerning the Chinese community in Canada. Any

undeclared intelligence operation in Canada by foreign intelligence services is unacceptable and it will be dealt with by appropriate authorities.

CSIS is responsible for investigations against national security. It reports to the Government which takes the appropriate action that it deems necessary. I can add that in light of the unusual interest and circumstances here, I would be prepared to arrange a briefing for the Leader of the Opposition and the Leader of the New Democratic Party or a Member of Parliament each would designate early in the new week to deal with matters that might arise in these circumstances. I think they would be better dealt with in that way.

CHINESE INTELLIGENCE SERVICE

Mr. John Nunziata (York South—Weston): Mr. Speaker, it seems to me that the Director of CSIS was being somewhat selective in that all Canadians, including those who may be at risk, have a right to know whether Chinese intelligence officers are gathering intelligence in Canada. Let there be no mistake. We are dealing with a callous and brutal regime with no concept of due process and with the capability of committing the most heinous crimes against humanity.

I put my question again to the Secretary of State for External Affairs. Is he aware of the presence in Canada of these intelligence officers, and if he is not, will he inquire and give the House his undertaking that he will declare these people *persona non grata* and take immediate steps to have them removed from Canada?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think I would add only two things to what I said in my earlier response.

First, I raised with the Chinese Ambassador yesterday allegations with respect to activities that would be improper by officials of his embassy or consulate, and he denied that those activities were occurring. I can report that fact.

The second point I would make is that the Hon. Member has been with me in India and in eastern Europe in circumstances that were sensitive. He comported himself on those occasions in an entirely commendable way, recognizing that there are sometimes circumstances that should await discussion. I would hope that he would conform to that high standard here before the television cameras of the House of Commons.

* * *

THE ENVIRONMENT

CONTAMINATION OF CRUSTACEANS IN HOWE SOUND

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Minister of the Environment. As he will know, in British Columbia last night, members of the public were advised to no longer eat shrimp, crab or prawns taken from the entire Howe Sound area as well as the Prince Rupert area. I wonder if the Minister would advise the House what other species along the coast of British Columbia have elevated levels of dioxin and organochlorines. Would he also tell the House when the Government first learned that the levels of dioxin and organochlorines in crab, shrimp and prawns in Howe Sound exceeded safe levels for human consumption?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, the Hon. Member will know that the Government is conducting a sampling program all over Canada to examine and identify the level of dioxins and furans at the exits of paper mills. The data is being collected. It was being examined and analyzed by different Departments. When the analysis was known at the Department of National Health and Welfare, all other Departments were notified of the situation and a decision was made immediately by the Department of Fisheries and Oceans to close those fisheries.

VIOLATIONS OF FISHERIES ACT

Mr. Jim Fulton (Skeena): Mr. Speaker, as the Minister knows from a report that was completed last July and was sat on by the Government for more than six months, there are still 17 out of 23 B.C. pulp mills that are in significant non-compliance with their existing licences, and 17 of the 23 are acting in direct violation of the Fisheries Act of Canada.

I wonder if the Minister would tell the House when the Government plans to bring forward regulations and enforcement procedures so that there will be zero discharge of these kinds of toxic, life-endangering toxins into the environment of British Columbia. When will the regulations and enforcement procedures be brought forward? The overwhelming majority of pulp mills, not only in British Columbia but right across Canada, are

violating their licenses and are in direct violation of Canadian law.

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, concerning pulp and paper mill pollution, the action of the Government is twofold.

First, there is the furan and dioxin problem, and this is regulated under CEPA. As of now, we are devising very tough and comprehensive regulations, that should be put into force next year. For the rest of the pollution, it is regulated under the Fisheries Act and the actual regulations were enacted in 1971 and apply only to mills built after 1971. The majority of mills were built before 1971 and do the most polluting. We have to deal with a situation that goes back more than 18 years.

In two or three years we will be able to issue and enact a new set of regulations for the other kinds of toxic materials exiting from paper mills, but those will be comprehensive regulations applying to all existing mills, built before or after 1971.

GOVERNMENT RESPONSE

Mr. Jim Fulton (Skeena): Mr. Speaker, the Minister does not seem to understand. This is one of the largest and most widely used fishery areas in all of Canada. More than 400,000 recreational anglers make use of the Howe Sound area. Shrimp, prawn and crab fisheries have now been closed. British Columbians have been told as of 11 o'clock last night to no longer consume any of those products.

The Minister has not told us what other species have elevated levels. Would the Minister at least tell us when, on what precise date, there will be zero discharge regulations and enforcement procedures put in place? What steps does the Government plan to take today to compensate those boats that are now tied up with their crab pods, prawn traps and shrimp pods tied on board? What is the Government going to do, nothing?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, the Government has taken very stringent measures. We have closed fisheries where we have been advised by the Department of National Health and Welfare that the levels of furans and dioxins were too high. We cannot be more drastic. We have stopped the fishing of those species. For the rest, there will be very tough new regulations as early as next year. The Hon. Member knows very well that the issuance of new regulations as global and complicated as those take a few months, and it will be done no later than 1990.

* * *

EXTERNAL AFFAIRS

ACTIONS OF CHINESE GOVERNMENT

Mr. Jim Karygiannis (Scarborough—Agincourt): Mr. Speaker, there are over 2,000 Chinese Canadians in my riding. In the past four days, I have interviewed 700 people of Chinese descent due to the current crisis in China. Because of peaceful pro-democratic demonstrations of the students here in Canada, their parents are under House arrest in China.

• (1130)

Will the Secretary of State for External Affairs send his strongest condemnation of this type of harassment of Canadian residents to the Chinese Government and ask that those being held under house arrest in China be released immediately?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I thank the Hon. Member for his question and for his active interest in the matter. It is entirely helpful that he and other Members of all Parties in the House are in close and active contact with members of the Chinese community in Canada. I conveyed that view yesterday to the Ambassador in my meeting with him.

There is obviously a difference of view between Canadian authorities and Chinese authorities as to what the facts are. There is no doubt in the minds of Chinese authorities that Canada finds any actions of that kind unacceptable. I have asked that that view be conveyed to Chinese authorities.

WORK PERMITS AND VISAS OF CHINESE NATIONALS IN CANADA

Mr. Jim Karygiannis (Scarborough—Agincourt): Mr. Speaker, my supplementary question is directed to the Minister of Employment and Immigration.

In light of the situation in China which may continue for a long time and the fact that only eight-week extension visas are being issued to Chinese students and visitors, will the Minister take steps to allow the issuance

of work permits and extensions of visas beyond eight weeks?

Will the Minister today announce what concrete steps will be taken to resolve this unfortunate situation? These students need our help, and they need it today.

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, we certainly recognize that these students need our help. Perhaps I could clarify for Members exactly what we have done in terms of Chinese citizens currently in Canada, not only students.

Four things can happen that would allow them to remain in Canada: first, to continue in their present status as students, visitors, or temporary workers and sympathetic consideration will be given to extending student or visitor status; seek permanent residence on compelling humanitarian grounds; submit a regular immigration application at a Canadian consulate in the United States or at a Canadian Embassy or consulate in another country of their choice where normal criteria would apply; or submit a refugee claim.

Because there is such great concern about this matter, we will be putting out a package this afternoon in the form of a press release of the detailed information of steps that Chinese citizens in Canada can take.

CHINESE NATIONALS IN CANADA—LANDED IMMIGRANT STATUS

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, my question is also for the Secretary of State for External Affairs. I, too, have a large Chinese population in my riding.

As protesters in China begin to face arrest, trial, and even death, Chinese citizens on visas here are increasingly concerned about their future. I know of a number of those students in Canada who are convinced that because of their activities it is now impossible for them to return to China.

I ask the Secretary of State: Will the Government be moving beyond its present program of visa renewals and no removals and bringing forward a special program to grant Chinese citizens in Canada landed immigrant status?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, my colleague the Minister has just indicated in the House a series of measures that the Government has already taken.

The Hon. Member will know that the Prime Minister stated some days ago in Vancouver that we will not be sending persons back to danger in China.

The Hon. Member will also know that there is a process under way now in which we are re-evaluating several aspects of our policy, whether it relates to Chinese citizens who are here or whether it relates to the general question of Canada's relations with China. We are proceeding with that as quickly as possible but also in a way that is as careful and comprehensive as possible.

In addition, with regard to the particular situation of students, a meeting will be held this afternoon, a consultation initiated by the Government of Canada, involving representatives of provincial Governments and non-governmental organizations that is designed to look particularly at the problems faced by Chinese students in this country.

Out of that I expect two groups will emerge. One will be an advisory panel available to give advice on any questions which may cause concern to those students. The second is an assistance panel that will be seeking ways—financial assistance, perhaps employment opportunities and other ways—that can contribute materially to the capacity of those persons to stay in Canada.

If Hon. Members have practical suggestions that the Government should be considering to deal with the type of problem quite properly raised by the Hon. Member, we will certainly look at them in a most positive way.

POSITION OF MINISTER OF EMPLOYMENT AND IMMIGRATION

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, my supplementary question is directed to the Minister of Employment and Immigration.

Gordon Fairweather, Chairman of the Immigration and Refugee Board, has recommended that students in Canada who feel their lives would be in jeopardy if they return to China should make a claim for refugee status.

What advice would the Minister give to these students?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, as I outlined in response to the question from the Member's colleague, we will be issuing a package of information later today to make clear the options available to Chinese citizens in Canada.

Our officials will also be involved in the meeting this afternoon with the NGOs and the provinces, in order to expedite the situation and to assist with any further measures that we might take.

We will continue to work very closely with the private sector, the community, and the Department of External Affairs on future measures.

However, there is more than one step, and I do want to make that clear. There is more than one thing that can be done, and that is why we will be issuing this package.

* * *

BANKS

ALBERTA BUSINESS LOANS PORTFOLIO

Mr. Ross Harvey (Edmonton East): Mr. Speaker, earlier today I gave to the Minister of Finance a series of figures showing that between 1982 and 1988 Canada's chartered banks yanked $9 billion out of their business loans portfolio in Alberta. This 50 per cent claw-back by the banks cost Alberta between 100,000 and 140,000 jobs and countless business enterprises.

Why did the Government do nothing while the chartered banks threw literally half of their business loans portfolio overboard?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member is putting a somewhat pejorative interpretation on those numbers. I thank him very much for giving me notice of his question.

What has happened since 1982 up to 1988 is that we have seen a significant shift in the relationship in the bank loans to Alberta relative to the rest of the country. At that time the proportion of loans to Alberta was twice the size of its proportionate size in the economy, 25 per cent of business loans as opposed to its share of the GDP, the national income, of 12 per cent.

During this period of time that has come into line, so that it is roughly about the same proportions in both business loans and in its share of the economy.

That is partly as a result of the change in the resource sector. In the resource sector I understand that the loans are down from $10.8 billion to $5.6 billion as the result of a change from a very powerful and very strong period at that time and a number of loans related to takeovers related to the National Energy Program. That has worked its way out of the system, and there has obviously been an impact on other loans as well.

REVERSAL OF POLICY—POSITION OF MINISTER

Mr. Ross Harvey (Edmonton East): Mr. Speaker, in fact, what has happened has been virtually restricted to the banks. At the same time as they were gutting their Alberta business loans portfolio, local financial institutions such as the credit unions, the mortgage loan companies, and the trust companies when they were going through a difficult period in Alberta, increased their asset base in Alberta. It is only the banks that have abandoned their Alberta portfolios.

In fact, it is not only the resource sector. In that category of loans under $5 million there has been a 33 per cent decline in the bank business loans portfolio in Alberta.

The Minister has responsibility for banking in this country. It is not something that the provincial Government can do. Will he put what pressure he can on the chartered banks to reverse this disastrous policy on behalf of the businesses and the people of Alberta?

• (1140)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member asks what we will do to change this matter. In fact what we did was change the National Energy Program, which was a very large factor in the disastrous impact on the resource sector itself.

Mr. Harvey (Edmonton East): That is not true.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, the Hon. Member says that it is not true. He should go to speak to people in the resource industry in Alberta. They will say that yes we did kill the National Energy Program. Yes, they will say that this was a good thing for the resource sector. Yes, they will also say that it is setting the stage

for a healthy resource sector in the future, and that is in place right now.

I was going to say that the Hon. Member might be interested, but clearly he is not listening. I should also say that I have spoken to members in the banking community over the course of the last couple of years because I have been aware of this drop taking place. They advised me that the relationship between the size of the Alberta economy and the size of the bank loans is now coming into balance. They expect to see a more normal relationship in the future.

* * *

EXTERNAL AFFAIRS

INFORMATION LINES FOR CHINESE NATIONALS

Ms. Mary Clancy (Halifax): Mr. Speaker, my question is for the Secretary of State for External Affairs. As of yesterday morning, the External Affairs 1-800 number for Chinese nationals was not offering assistance in any of the Chinese languages. Today, many Chinese in Canada are panicking because the line is constantly busy.

Will the Minister add more lines to this information number? Will he also arrange to have persons who are fluent in the various languages to facilitate the flow of information to a very frightened people?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I know the Hon. Member tries to get her facts right and she generally is very appreciative of the quite excellent work that has been done by officials of the Department of External Affairs.

The fact is that throughout the operation of our hot line we have had operators available to speak to callers in both Mandarin and Cantonese. They have not been answering the telephone in Mandarin or in Cantonese. They have been answering in French or English, but that capacity has always been there on the hot line.

There had been a decrease in the use of the 1-800 number and for that reason the number of hot lines had been reduced. I will see if our information corresponds with that provided by the Hon. Member. If there is a need for new hot lines, they will be installed.

Ms. Clancy: I thank the Minister for his answer. I am sure that he will act on it.

POSITION OF MINISTER

Ms. Mary Clancy (Halifax): Mr. Speaker, I have a supplementary question for the same Minister. Fear and intimidation are constant within the various Chinese communities in Canada right now, as have been expressed in my riding of Halifax and across the country.

Will the Minister outline for the House what steps his Department is taking to alleviate this fear among Chinese nationals in Canada and to increase their protection in this time of peril and need?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I have raised some of the concerns that are at the root of most of that apprehension directly with the Chinese Ambassador because there have been allegations of names being taken, photographs being used, and harassment being practised.

The views of Canada have been conveyed, the fact that this is utterly unacceptable to us has been conveyed. We will take a range of other measures. I will try to make available to Members of the House a precise listing of not only things that have been done but more particularly of people who can be consulted in the event there is a difficulty.

May I make this point: the Department of External Affairs and the Government will do everything we can. I think that one of the most helpful developments has been that to my knowledge Members of Parliament of all Parties across this country, in whose constituencies there are Canadians of Chinese origin or Canadian citizens, have been actively in touch with those persons. I would encourage that to continue.

It is one thing for the Government to be available and to have its services available, but it is far more helpful for Members of Parliament, in our own constituencies, to make it known that if there is anyone with a concern they should come to the Member of Parliament and the Government of Canada. If information reaches me that is accurate and on which we can act, we will act.

TRANSPORTATION

VIA RAIL ATLANTIC ROUTE

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, in the absence of the Minister of Transport, I would like to direct my question to the Minister of State for Transport.

In 1985, the Deputy Prime Minister promised the Mayor of Saint John that his Government would not shut down VIA Atlantic if 200,000 passengers used it by 1990.

In 1988, 240,000 passengers have used the VIA Atlantic route and the figures for the first quarter of this year show an increase of 23 per cent. Clearly, the people of Atlantic Canada have lived up to their end of the deal.

I want to ask the Minister if she will promise that the Government will keep up its end of the deal.

Hon. Shirley Martin (Minister of State (Transport)): Mr. Speaker, as the Minister of Transport and myself have stated in this House earlier, the decisions relating to VIA will be made once we have received the plan from them, hopefully at the end of this month or early into July. At that time all facts will be taken into consideration and decisions will be made.

POSITION OF MINISTER

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, the Minister of Transport has said that only 3 per cent of Canadians use VIA. According to Transport Canada, most people travel by car. Of those who do not, 20 per cent use VIA; 40 per cent fly; and 40 per cent take the bus. That is the real situation.

Will the Minister read her own Department's figures? Will she do the honourable thing and let VIA provide the service it is capable of and that Canadians have come to expect?

Hon. Shirley Martin (Minister of State (Transport)): Mr. Speaker, we always do the honourable thing. We make our decisions based on facts and figures.

As the Minister of Transport stated, there are only 3 per cent of Canadians that use the train. VIA is a national service. Three per cent of Canadians nationally use VIA. When the decisions are made, they will be made on the facts that are presented to us by VIA's studies and its financial plan that it will give to us at the end of June.

* * *

ELECTIONS ACT

THIRD PARTY ADVERTISING—GOVERNMENT POSITION

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is for the Minister of Justice. It relates to election expenses. In the committee yesterday, Jean Marc Hamel, the Chief Election Officer for Canada, indicated that we need some laws to restrict third party advertising during elections.

Being that the Government has indicated in a letter from the Deputy Prime Minister that it wants to remove all reference to third party advertising—in other words, make it completely wide open—I would like to ask the Minister if the Government has changed its mind and will put restrictions on third party advertising during the election campaign. Second, when will it start its inquiry into the Elections Act which was promised in the Speech from the Throne?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I wish to advise my friend that in the Speech from the Throne the Government made very clear that we intend to set up an electoral reform commission to look at all matters *vis-à-vis* amendments to the Act. By putting this into the hands of an independent commission, I think that it will be able to work quickly and hopefully address the items to which my hon. friend refers.

Mr. Murphy: Mr. Speaker, I asked when. The Government did not answer. I asked what the Government's position was, whether it reversed itself on third party advertising. That was not answered.

* * *

NATIONAL REVENUE

TAX DEDUCTION STATUS

Mr. Rod Murphy (Churchill): Mr. Speaker, my supplementary question is for the Minister of National Revenue. He is aware that the Starr affair is now implicating not only Liberal cabinet Ministers in Ontario but members of his own caucus.

Has the federal Government checked to make sure that the laws with regard to charities and the tax

deductions of this charity have been upheld? In other words, is the law of Canada being obeyed and has the Government initiated an investigation into this matter?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, the simple answer is yes. In the broader perspective, while an individual took some very serious and questionable actions within that organization, I can confirm that after Revenue Canada looked into the matter very closely and worked with the National Council of Jewish Women of Canada, Toronto section, corrective action was immediately taken by the association.

This included asking for the resignation of Miss Starr and two other people who had been associated with Miss Starr in the foundation which was making those contributions. The council is now doing everything it possibly can to comply with the rules and regulations of its charitable status. Of course we are actively monitoring it and full co-operation has been given to us by the council. As a result of corrective action that was taken, there is no consideration at the present time to revoke the charitable status of that organization.

* * *

• (1150)

ENDANGERED SPECIES

SLAUGHTER OF ELEPHANTS IN AFRICA

Mr. Bruce Halliday (Oxford): Mr. Speaker, my question is directed to the Secretary of State for External Affairs.

Given the appalling slaughter of African elephants by poachers who are killing for the illegal ivory trade, as was brought to the attention of the House earlier today by the Hon. Member for Etobicoke—Lakeshore, and given the Minister's announcement yesterday of new Canadian initiatives to curb ivory imports to Canada, can he advise the House how and when these new measures will take effect?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I appreciate the interest of the Hon. Member. The House will be interested to know that 10 years ago there were about 1.4 million African elephants. That number is down now to about 600,000. There is a rate of kill of 300 per day. Canada is in full compliance with the obligations that we have undertaken. However, there is no question that more must be done.

I indicated yesterday that we will be introducing very quickly further restrictions on imports of raw or worked African elephant ivory.

In addition, the Conference on Trade in Endangered Species is holding a meeting in Lausanne in October. As the House may know, there are two categories of protection. Asian elephants are in the most protected category. African elephants are not yet. Canada will be pressing at the Lausanne conference in October that African elephants be accorded the fullest possible protection.

* * *

PUBLIC SERVICE

MERIT PRINCIPLE

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my question is for the President of the Treasury Board.

As the employer of one-quarter million Canadians in the Public Service of Canada, does the Minister approve of yesterday's announcement by the Public Service Commission that it is abandoning the merit principle for lateral transfers in over 20,000 positions thus opening the floodgates to administrative patronage?

Does he agree that employees should now lose the right they have through the courts to appeal when less qualified, less capable people are appointed without competition?

As the employer, is he concerned about the weakening of the quality and impartiality of the Public Service?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, first, I would just like to underline for the Hon. Member that the Public Service Commission reports directly to Parliament. It does not report to Treasury Board.

Now that she knows that and I have confirmed it, I would like to say that in my view this is by no means an abandonment of the merit principle. The Government stands firmly behind the merit principle and is willing to foster the merit principle in every instance, at the same

time ensuring the greatest efficiency in the delivery of government services throughout the country.

GOVERNMENT RESPONSE

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I am not sure how the Minister can say that when this action by the Public Service Commission ensures that transfers are not subject to review and that managers are not accountable for the application of the merit principle in over 20,000 positions. If that is not an abandonment of the merit principle, I do not know what is.

The Minister is absolutely right when he said that the Commission was established as an agent of Parliament—

Some Hon. Members: Question.

Mrs. Catterall: —and it should consult with Parliament before abandoning its mandate.

Will the Minister and his colleagues refuse to approve the Order in Council robbing employees of their right to appeal non-merit based appointments? Will he and his colleagues allow Parliament before approving the Order in Council—

Some Hon. Members: Order!

Mr. Deputy Speaker: The Minister will answer the question.

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, we are certainly aware of the situation. I think it would be appropriate for the Public Service Commission to be approached on this particular matter. In spite of the fact that it reports officially through me to Parliament, it could certainly be seized of the matter.

* * *

CANADA POST CORPORATION

PRIVATIZATION OF RURAL POST OFFICES

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Minister responsible for Canada Post.

Some Hon. Members: Hear, hear!

Mr. Boudria: I think that perhaps Members opposite should wait for his answer before deciding to applaud.

Some Hon. Members: Oh, oh!

Mr. Boudria: In today's major daily newspapers Canada Post wasted yet more taxpayers' dollars in printing a list of 80 municipal officials who Canada Post claims are supporting the new privatized rural post offices.

Given that Reeve Janice Bush of Haggerty and Richards Township told me this morning in a telephone conversation that she never endorsed this principle and that the only thing she approved of was the fact that the privatized post office was better than no post office at all, I want to ask the Minister the following questions: How many more of these endorsements are phoney as Canada Post is in its corporate plan?

Some Hon. Members: Hear, hear!

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, the Gallup organization conducted a survey of all the communities that have had their service changed. Some 97 per cent of the people said that they found the service satisfactory. Some 90 per cent said it was as good or better than before.

Why did the Hon. Member not talk to Denis Pommainville of St. Albert, Ontario, which is in his riding, who endorsed the service as well?

Mr. Boudria: That is another one that is phoney. I am glad the Minister raised that one as well.

POSITION OF MINISTER

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I want to ask him very clearly how many of those endorsements are phoney. Why are we being conned by Canada Post? Is the Minister an accomplice to this as well, or is he just merely approving that kind of nonsense?

Some Hon. Members: Hear, hear!

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, in the *Hawkesbury Express*, a newspaper published in the Hon. Member's riding, people were asked: "Is the mail service any better?" Marilyn Hall of Hawkesbury said: "Yes". Catherine Laviolette of Kilmar said: "Yes". Monique Fournier of Hawkesbury said: "Yes".

His own constituents when asked by the newspaper in his riding say that the service is better. Why is the Hon. Member insisting on being a mouthpiece for Jean-

Claude Parrot rather than a representative of his citizens?

Mr. Boudria: I am a mouthpiece for my constituents.

* * *

THE ENVIRONMENT

ST. BONIFACE FIRE—PRESENCE OF FEDERAL INSPECTORS

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I have some questions for the Minister of the Environment with respect to Manitoba.

The Minister will know that late yesterday evening there was a very substantial fire in Winnipeg, in St. Boniface, but it is also of concern to the people of Winnipeg—Transcona because the plume of smoke from the fire blew over the northeast end of Winnipeg.

Will the Minister of the Environment tell us whether federal officials, federal inspectors are on the site now? Has the Minister directed any of his people to make sure that both emergency procedures went according to the way they should have and also that environmental regulations were observed? What will be the federal follow-up to this event? Obviously, it is of great concern to the people of Winnipeg.

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, the Hon. Member is right. It is something that is worrying.

What we know is that it was an explosion of 160 one-litre drums of some kind of paint or solvent. Four family homes in the surrounding area had to be evacuated. However, people have returned now to their homes.

The situation is under control. We are analysing possible run-off contamination. Samples have been taken. We will have some results within the next few hours. The situation is under control. It is closely monitored. I am ready to inform the House and keep it posted as often as necessary.

Mr. Blaikie: Mr. Speaker, my information is that more people than that were evacuated.

SHOAL LAKE MINE

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, also with respect to the Manitoba environment the Minister will know that there is growing concern about the prospect of a new mine being opened in Shoal Lake. It was raised earlier in the House.

Could the Minister tell us whether or not he is prepared now to order a federal environmental assessment review of this project? He has the capacity to do that.

We just learned today that as a result of slack regulations we have the problem in the Howe Sound. Why do we not act in a preventive way now before Shoal Lake is poisoned, order a federal environmental assessment review, and bring in a safe drinking water Act while we are at it?

• (1200)

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, the Shoal Lake mining project is under discussion by all Ministers involved—Ontario, Manitoba, and the federal Minister, myself. We will make sure that all federal environmental requirements will be met in this case as in any other.

* * *

AIRPORTS

IMPACT OF CONGESTION ON TOURISM

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, in the absence of the Minister responsible for tourism, I will direct my question to the Deputy Prime Minister or whoever is present.

The Tourist Industry Association of Canada is becoming increasingly concerned about difficulties at the Pearson International Airport. Already there has been a major cancellation, that of the Professional Convention Managers Association. It was originally scheduled for Toronto and is now going to Dallas, Texas.

What does the Minister intend to do, as soon as possible, to prevent further losses to the tourist industry that is so important for Canada?

Hon. Shirley Martin (Minister of State (Transport)): Mr. Speaker, the congestion problems at Pearson International Airport have been under investigation since the beginning of the year. Consultations were held with some 200 people in the Toronto and surrounding areas. We are working on the plan. A decision will be made public very shortly.

Introduction of Bills

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNEMNT RESPONSE

Hon. Jean Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons)): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour of tabling, in both official languages, the Government's response to 17 petitions.

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

* * *

[*English*]

COMMITTEES OF THE HOUSE

BILL C-8—REPORT OF LEGISLATIVE COMMITTEE

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Mr. Speaker, I have the honour to present, in both official languages, the report of the legislative committee of Bill C-8, an Act to amend the Department of Labour Act, without amendment.

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

* * *

[*Translation*]

STATUTE LAW (SUPERANNUATION) AMENDMENT ACT

MEASURE TO AMEND

Hon. Robert de Cotret (President of the Treasury Board) moved for leave to introduce Bill C-24, an Act to amend certain legislation respecting superannuation and other pensions.

Mr. Deputy Speaker: Does the Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

Mr. Deputy Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

[*English*]

GENEVA CONVENTIONS ACT

MEASURE TO AMEND

Right Hon. Joe Clark (Secretary of State for External Affairs) moved for leave to introduce Bill C-25, an Act to amend the Geneva Conventions Act, the National Defence Act and the Trade-marks Act.

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

Some Hon. Members: Agreed.

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

* * *

[*Translation*]

RAILWAY ACT

MEASURE TO AMEND

Right Hon. Joe Clark (for the Minister of Transport) moved for leave to introduce Bill C-26, an Act to amend the Railway Act (grain and flour subsidies).

Mr. Deputy Speaker: Does the Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

Mr. Deputy Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

NON-SMOKERS' HEALTH ACT

MEASURE TO AMEND

Hon. Robert de Cotret (for the Minister of Labour) moved for leave to introduce Bill C-27, an Act to amend the Non-smokers' Health Act.

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

Some Hon. Members: Agreed.

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

Mr. Deputy Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

[*English*]

PETITIONS

ALLEGED MILITARIZATION OF ECONOMY

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, indeed it is a privilege and an honour to have the opportunity to present a petition on behalf of a number of residents of Kamloops, British Columbia.

They point out their concern for what appears to be a growing militarization of our economy, and the support that the Government of Canada gives to developing our form of the multinational complex that promotes, aids, and abets the arms industry. They are asking Parliament to pass legislation ending this particular process.

UNEMPLOYMENT INSURANCE ACT AMENDMENTS

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, on another matter unrelated and pursuant to Standing Order 36, again I am pleased to present a petition on behalf of a number of Kamloops residents who are outraged at the Government's decision to change the Unemployment Insurance Act to take money from the unemployed for training programs.

Obviously the unemployed, particularly in the regions of Canada, are having an incredibly difficult time. To see their benefits reduced to enable the Government to provide money for training and re-education is absurd. They are suggesting that a more appropriate place to begin to collect tax would be from some of the 60,000-plus profitable corporations that do not pay any income tax at all, as opposed to dipping into the pockets of the unemployed.

WEST COAST OIL SPILL CLEAN-UP

Mr. Ray Skelly (North Island—Powell River): Mr. Speaker, I have the honour to present a petition in the House from citizens of Powell River, Texada Island, and other residents of the West Coast.

They ask the Government to launch a public inquiry into the Government's ability to prevent, contain, and clean up oil spills on the coast of British Columbia.

Many of these people volunteered to work with the Ministry of Transport and the Environment to clean the beaches. They undertook on behalf of Canadians to try and mitigate this oil spill. They lost clothing, took time off work, and bought bags with money out of their own pockets. They understood that they would be compensated for this by the Government of Canada that would then sue the perpetrators on their behalf.

It now turns out that these people will be suing the Minister of Transport (Mr. Bouchard), the Minister of the Environment (Mr. Bouchard), and the Prime Minister of Canada (Mr. Mulroney) in small claims court to go good on the promise that the Government originally made. Hopefully the Government will respond to the petition before they have to take it to court and before the House rises.

* * *

[*Translation*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, if questions Nos. 52 and 60 could be made orders for returns, those returns would be tabled immediately.

Mr. Deputy Speaker: The questions enumerated by the Hon. Parliamentary Secretary have been answered. Is it the pleasure of the House that questions Nos. 52 and 60 be made orders for returns?

Some Hon. Members: Agreed.

[*Text*]

Question No. 52—**Ms. Copps:**

1. For each year since 1980, has the government published a brochure which provides information on the fuel efficiency of automobiles available for sale in Canada and, if so (a) what number were published (b) at what cost (c) what number were distributed to the public?

2. For each year since 1980, has Canada imported hazardous wastes and, if so (a) what number of tonnes (b) what types (c) what means were used to transport the wastes across Canada's border (d) what was the country of origin (e) at what border point did the wastes enter Canada

(f) what number of the shipments were inspected to confirm their contents (g) were any of shipments refused entry and, if so (i) what number (ii) for what reason (iii) to what country was the shipment eventually sent (h) what was the destination of these shipments?

3. For each year since 1980, has Canada exported hazardous wastes and, if so (a) what number of tonnes (b) what types (c) what means were used to transport the wastes across Canada's border, (d) what was the province of origin (e) at what border point did the wastes depart Canada (f) what number of the shipments were inspected to confirm their contents (g) were any shipments refused entry by the country of destination and, if so (i) what number (ii) for what reason (iii) to what place was the waste eventually sent?

Question No. 60—**Mrs. Stewart:**

Has (a) the Minister for External Relations (b) the President of CIDA (c) any member of the President's staff travelled outside the country on official business from January 1988 to the present and, if so (i) to what locations (ii) on what dates (iii) for what purpose (iv) for what length of time (v) what was the cost of the trip (vi) were there other members of the party and if so, what were their names and functions?

[*Translation*]

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

Mr. Deputy Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

• (1210)

[*English*]

BUSINESS OF THE HOUSE

Mr. Lewis: Mr. Speaker, I would like to make a statement as a follow up to yesterday's statement on business. I understand that we are making progress on second reading of Bill C–10. This is the only item of business that the Government intends to call today. The Government would be agreeable to moving Private Members' Business up and commencing that as soon as second reading on Bill C–10 is complete if, in fact, it is completed before two o'clock.

With respect to Monday, we are trying to schedule Bills to meet the convenience of Members. Therefore, I wish to indicate a change. We will not be calling Bill C–15, an Act respecting plant breeders' rights, at eleven o'clock but rather we will call Bill C–11, an Act respecting Borrowing Authority. There may be further Bills called as time permits on Monday but we will continue to consult with our colleagues opposite in an effort to make sure that we are not inconveniencing unnecessarily any Members.

I do wish to indicate something to the House. Yesterday I said discussions were under way to complete a reasonable amount of work on Bills currently on the Order Paper by June 30, 1989. However, I wish to give formal notice of the Government's intention to invoke Standing Order 57 in order that second reading of Bills C–15 and C–21 be completed, that third reading of Bill C–11 be completed and that second reading of Bill C–20 be completed prior to June 30, 1989.

Mr. Allmand: Disgraceful. This is closure.

Mr. Riis: Mr. Speaker, what we have just heard is outrageous. I do not know if the Government is trying to turn the House of Commons into China II with the trampling of democratic rights but it seems that we are being given notice that the Government plans to proceed in the same despicable way.

I want to remind the Hon. Minister that Bill C–15, plant breeders' rights has not had a single speaker speak to it to date, not one. Debate has not even begun on it.

On Bill C–20, the Excise Tax Act, we have only had one speaker. This Bill is going to impose a vast network of taxes on the people of Canada. Bill C–21, we will have closure after only two speakers from this Party. I want to send a very clear signal that once again we are seeing a contempt of parliamentary tradition. We are seeing a contempt, if you like, of the Government permitting adequate debate on critical issues in the House of Commons. We find this repugnant. We find it unacceptable, dictatorial and something we have now come to expect.

I think what this Government is trying to do is to make Canadians immune to these Draconian and anti–democratic measures when they are prepared to trample on the rights of parliamentarians by not permitting adequate debate on these very critical Bills.

Mr. Allmand: Mr. Speaker, it was almost impossible to believe the words of the Hon. Minister of Justice (Mr. Lewis) when he announced in the House that the Government is invoking closure on Bill C–21 after only three speakers I believe it is from the Official Opposition who have spoken in this important debate.

Here we have a situation where the Standing Committee on Labour, Employment and Immigration, with the support of Conservatives on that committee, moved that that committee travel throughout the country to consult on measures in that Bill. That report was sabotaged in some way or other in the House. We then have the Minister of Employment and Immigration (Mrs. McDougall) saying that she did not consult and does not intend to consult on the Bill. Now after only a few Members speaking in debate the Government is introducing closure on measures which significantly affect unemployment insurance all over this country. This is, as my hon. colleague says, a hijacking of democracy. It is an insult to Parliament and all our parliamentary traditions. If the Government is going to act in this particular way in dealing with important Bills, we will find ways to deal with the Government in like manner so that it will not get its business through this House.

It was not our purpose to obstruct on that Bill but simply to continue the debate so Canadians could understand what is a very complicated piece of legislation. It is very difficult for people to understand the implications of unemployment insurance legislation. The terminology is difficult and a certain amount of debate is necessary so Canadians can understand what is happening to them. For the Government to move this kind of measure at this point in the debate is totally unacceptable.

Mr. Lewis: Mr. Speaker, I merely gave notice of the Government's intention to move closure in the event that we are unable to pass these Bills at the stage referred to by June 30. The House will know that notice is a normal thing. The closure motion has not been moved. It is simply notice.

I would like to make one comment. I think my hon. friend from the New Democratic Party suggested that the debate on Bill C-15 had not been commenced. I believe if he checks the Notice Paper he will note under item No. 15 on page 14, it states:

> Resuming debate on the motion of the Minister of Agriculture for the second reading and reference to a Legislative Committee of Bill C-15,—

Mr. Riis: Mr. Speaker, I appreciate the point of clarification by the Hon. Minister. I simply want to reiterate that on a Bill that is literally going to transform the entire patent field when it comes to life forms, something that has incredibly vast implications, it must be debated thoroughly at every stage. There have been two speakers from the New Democratic Party on Bill C-15 but if we were doing our job properly, we would be spending the next two or three weeks on this piece of legislation alone. The implications in terms of patenting life forms in this country are horrendous. It is important that parliamentarians not only have an opportunity to express their views on behalf of their constituents but to hear other views on this very critical issue. It is for that reason that we find this move despicable and completely unacceptable.

Mr. Brewin: Mr. Speaker, I would just like to say as a new Member of this House that here we have the occasion of the Government giving notice of closure on Bills that it is just beginning to be processed through this House. This is the same Government that waited until April 3 to call this House back into business.

It seems to me that the words of the Hon. Member for Kamloops (Mr. Riis) are mild compared to what might have been used. This is an absolutely outrageous suggestion from the Government that it is to proceed this way.

The Minister is now suggesting that he is going to hold a club over the opposition Members regarding their response to these Bills. I want to say as forcefully as I can through you to the Minister that this Government has forgotten the traditions of this House and, even if I may say, the traditions of his own Party in coming to this House with the suggestion that he makes here today.

[*Translation*]

Mr. Gatuhier: Mr. Speaker, I would like to raise a procedural matter. I must say I deplore the approach taken by the Government, but if I understood the Minister correctly, he is giving notice on four pieces of legislation, namely, if I am not mistaken, Bills C-15, C-21, C-20 and C-11.

I would like to ask the Chair whether Standing Order 57, as it stands, covers a situation where a Minister gives notice on four pieces of legislation, or are we to understand that he must give notice every time he intends to dispose of legislation, as opposed to doing all four at once.

Mr. Deputy Speaker: To answer the question, I believe the Hon. Minister may give notice for several bills at a time. However, I will check, and I will get back to the

Hon. Member in a moment. I am almost positive the Minister is right.

Mr. Gauthier: Mr. Speaker, if I have to read Standing Order 57, I will do that, but I read the Standing Order very carefully. My interpretation is the one I mentioned just now, namely that the Minister may give notice that he will invoke closure under Standing Order 57, but only on one measure, one bill, and not several or a whole series of bills, and I would ask the Chair to give me some clarification.

* * *

SPEAKERS DECISION

Mr. Deputy Speaker: Standing Order 57 does not say the Minister is limited to one specific bill, and therefore, I must conclude the Minister has the right to announce a series of bills. However, I want to thank the Hon. Member for Ottawa—Vanier (Mr. Gauthier) for raising this question. Perhaps it could be usefully examined by the Committee on Elections, Privileges, Procedure and Private Member's Business, but for the time being, the Chair accepts the proposal made by the Minister of Justice (Mr. Lewis).

GOVERNMENT ORDERS

• (1220)

[*English*]

FORGIVENESS OF DEBTS (SUB-SAHARAN AFRICA) ACT

MEASURE TO ENACT

The House resumed from Friday, May 26, consideration of the motion of Mrs. Landry that Bill C-10, an Act relating to the forgiveness of debts incurred or assumed in respect of certain official development assistance loans made by the Government of Canada to the governments of certain countries in sub-Saharan Africa, be read the second time and referred to a legislative committee.

Mr. Deputy Speaker: Resuming debate with the Hon. Member for Notre-Dame-de Grâce.

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, the purpose of Bill C-10 is to partially forgive the debts owed to Canada by certain sub-Saharan African countries. It is satisfying to note that the countries of the world are finally giving some attention to this most critical and serious problem of Third World debt.

I say finally because I can recall attending international conferences at the United Nations and elsewhere only four and five years ago when representatives from Latin America and Africa pleaded with representatives of northern and western countries to pay more attention to the developing crises in their countries as a result of the overwhelming debt owed to the North.

Very little was done at first. Perhaps this was due to the fact that at that time the officials and the ministers dealing with the problem in northern and western countries were principally Ministers of Finance and officials in departments of finance. But finally, people who are involved in external affairs and in development assistance have become involved and we have seen some movement. While no problems have been solved yet, at least attention is being given to this extremely serious matter.

We saw in Toronto last summer at the Economic Summit decisions taken to reschedule sub-Saharan African debt. These proposals went forward in the form of the Paris Club plan for a rescheduling of that debt. Then this March, we saw the new Secretary of the Treasury for the United States, Mr. Brady, making additional proposals toward a solution of these debt problems with particular reference to Latin America.

It is heartening to note that Members of Parliament are also getting involved. I had the good fortune to attend a conference organized by Parliamentarians for Global Action, a parliamentary association which is active in this Parliament. This was a conference which this global association of parliamentarians organized at the end of March in Amsterdam, Holland.

At that conference, we had Members of Parliament from most of the G-7 countries and from all political parties. From Canada we had Conservative and Liberal Members. From the European countries, we had Christian Democrats, Social Democrats, radicals, et cetera, with officials and experts discussing how we might on a multi partisan basis deal with the problem of Third World debt. I am pleased to report as well that in this House, for the last few days the Standing Committee on

External Affairs and International Trade has been paying special attention to this problem.

As I said at the beginning of my remarks, this problem of Third World debt is extremely serious and destabilizing for world peace. What is particularly upsetting, when we look at the facts, is that many of these countries are paying back to creditor countries in the north, countries like the United States and Canada and the western European countries, more in the form of interest than those countries are paying in development assistance. What nonsense, Mr. Speaker.

We have countries in the north boasting about their programs for development assistance on how much they give to African and Latin American countries through their development assistance programs. Yet, on the other hand, those same countries are forced to pay, in the form of debt and interest, moneys back to those very same countries so that in many cases those countries are debt receivers. The northern countries receive more from those poor developing countries than they are giving in assistance.

Let me cite some figures. According to the World Bank, developing country debt now exceeds $1.3 trillion. That is hard to imagine. I can think in terms of millions and billions of dollars, however, when we get into trillions it is very difficult to imagine. But that is now the total debt figure—at least it was at last report—for developing country debt. That is $1.3 trillion.

By the way, the $1.3 trillion is in U.S. dollars. These developing countries have transferred $85 billion U.S. dollars to developed countries since 1982. In the cases of the most highly indebted, this translates to more than 2 per cent of the Gross Domestic Product in the period.

If we can put this in other terms, in recent years the net transfer of capital from the Third World to the rich countries has taken place in large amounts. There has been a net transfer from the Third World, from the poorer countries, to the rich countries. Between 1981 and 1985, net capital export from Latin America moved from U.S. $0.2 billion to U.S. $42.4 billion.

In Asia, the transfer was from $1.7 billion in 1981 to $9.7 billion in 1985. In Africa, from $5.3 billion in 1981 to $21.5 billion in 1985. It is obvious that this makes a farce of our development assistance programs and our philosophy for development assistance.

If we look at sub-Saharan Africa, which is the main focus of this Bill before the House today, the total outstanding debt of the countries of sub-Saharan Africa at the end of 1985—and that is the most recent report that I have—is about $100 billion. About $100 billion at the end of 1985. The International Monetary Fund estimates $76 billion, excluding arrears of at least $11.6 billion.

In sub-Saharan Africa, the countries most indebted are Nigeria, with $16.6 billion; the Sudan, $7.7 billion; the Ivory Coast, $7.4 billion and Zaire, $4.6 billion. I could go on and on. These debts and the repayment of the debts and the schedule for repayment is extremely important, not only for the suffering and hardship in those countries but also because it is a destabilizing factor in world peace and world politics.

The foreign debts of those countries have been estimated to be the major cause of depression in those countries in the 1980s. Since 1980, many developing countries have experienced a depression more severe than the Great Depression of the 1930s in the industrialized world. The three post-war decades of slow improvement in the living standards of these peoples is such that these developing countries have begun to go backwards. While there had originally been some improvement, now there is backward movement.

This is not only a question of the situation of the peoples in these countries. It is also a question of stability and humanity with respect to those areas. It is sad to note that since 1945, which was the end of the Second World War—which we talk of as the last war, which in fact it was not—there have been 125 wars in which 30 million people have been killed, two-thirds of those people being citizens as compared with one-third military, and three-quarters of those wars have been in the developing world.

• (1230)

In the developing world, there is depression, instability and debt. That is why we have to consider the problem of world debt not simply as a financial and economic question but also a question that affects the whole world. It is a question of peace. When we deal with questions of war and peace, we do not simply look at the number of weapons and nuclear arms involved, we have to look at the causes which lie behind conflict. One of the causes

which lie behind conflict is the severe poverty that exists in many of these countries.

Bill C–10, the Bill before us today, forgives the debt with respect to certain sub–Saharan countries in Africa, 13 countries which are listed in the annex to the Bill. While it does not solve the problem, it is certainly a move in the right direction. My hon. colleague, our Party's critic, has pointed out some of the shortcomings in the Bill.

Today I appeal to Canadians to understand and support the reasons which lie behind a Bill like this. When I happen to meet some people in the street, they ask why we are forgiving the debts of African countries. People ask why we do not do this for Canadians, why we do not forgive the debts of Canadian farmers and business people instead of forgiving the debts of these African countries. In Canada, we do have very significant programs to deal with this, though they are not enough. We on this side criticize the Government for not doing enough, but there are programs like Old Age Security, the Canadian Pension Plan, certain regional development programs, the Canadian Assistance Plan, Medicare and the like, programs at the federal and provincial levels that deal with the problems of Canadians. As well, there is a Bankruptcy Act in Canada. We have insolvency legislation so that when people get into debt over their heads, they can get out of that debt and start all over again. We do not drive them into the ground and let them starve to death. We have legislative means for helping them. Unfortunately, in the international arena that is not the case.

When countries like Brazil, Argentina and Peru have debts with banks in Canada, the United States, Britain, France and Germany, there is no international Bankruptcy Act that would allow these countries to get back on their feet again. If we believe in the philosophy of bankruptcy and insolvency legislation for those who live within our own national boundaries, we should translate that spirit into the international arena and should be ready to forgive debts in certain cases which would drive the country to what I would call complete insolvency. That is what some of the proposals that are now on the table are attempting to do. I am referring to the decisions taken at the Toronto Economic Summit last summer where a plan was put forward for rescheduling certain Third World debt, known as the Paris Club for debt rescheduling. It is certainly not enough. It will not solve the problems, but at least it is a beginning and a move in the right direction.

On March 10, U.S. Treasury Secretary, Nicholas Brady, a member of the new Bush Government in the United States, unveiled a plan in which he exhorted commercial banks to forgive a portion of their Third World loans in return for guarantees that at least some of the debt would be paid. One would think that would be looked on with reason and with a long term view. Unfortunately, some of the banks, including some Canadians banks, have not been too sympathetic to that proposal.

A certain number of parliamentarians met in Amsterdam at the end of March, and I was one of them. We met at a conference organized by Parliamentarians for Global Action and after two and a half days of discussion, we put out a document entitled,"The Amsterdam Appeal". In that appeal, we stated:

> We agreed that the recent new debt relief policies—although moving in a more positive direction—are insufficient and need substantial extension. In fact, the new debt strategy requires a "Toronto plus" and a "Brady plus" approach. The debtor countries require both debt reduction and new concessional finance as a pre–condition though not a substitute for valid and sound domestic economic policies. Funds for debt policies reduction should be additional to those already allocated for aid.

Then we made certain specific recommendations, some with respect to Latin American countries whose debt is principally commercial and is owed to creditor banks in the northern hemisphere. We made other recommendations with respect to the sub–Saharan countries whose debt is principally with governments of countries in the north. Since the Bill we are dealing with today focuses on the sub–Saharan African countries and their government–to–government debts, let me mention some of the recommendations that were made.

We said again that the Toronto Summit set an important precedent by authorizing debt reduction in connection with rescheduling in the Paris Club, and we said that the need of African and other low–income countries for external resource flows and debt reduction has not yet, however, been adequately addressed. We recommended first that there be a write–down of a significant portion of the Paris Club debt. Second, we recommended that

there be a moratorium of 10 years on all official interest and principal payment obligations.

Further, we recommended that the budgetary costs of these debt reductions be added to aid donor commitments and not be taken from existing aid allocations. That is very important because the existing aid allocations are being relied upon for certain projects in Third World countries and to simply take some of those moneys for the debt reduction would not solve the problem. We also recommended that aid donors who have not already done so plan a program of cancellation of their aid-related debts and, through this Bill, there is the cancellation of certain debts. Finally, a very interesting recommendation made by the parliamentarians in Amsterdam is that the International Monetary Fund consider the sale of a portion of its gold holdings to finance additional multilateral concessional lending to low-income, debt-distressed countries.

These are some of the proposals made by parliamentarians, experts, financial people and businessmen to try to resolve these important problems. In conclusion, I would like to make an appeal to Canadian citizens to understand how serious the poverty is in these countries of Africa and Latin America. We must reach out to them to do things which will support them in the development of their peoples and countries. I recall how Canadians and people from all over the world responded a few years ago when they saw on television the starving children in Ethiopia. They responded with great heart and gave in substantial amounts. They gave through rock concerts and in many other ways. That was because they saw very graphically on television how horrible the situation was. It has not gone away. The fact that we do not see it on television every day does not mean that it has gone away. It is still there in Latin America. It is still there is Asia and in Africa.

• (1240)

I urge the Canadian people to support our Government and urge it to do more in order that we can have a world where there is co-operation between peoples and not conflict and war.

Forgiveness of Debts Act

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I am pleased to participate in this debate. As the previous speaker indicated, I would like to suggest that it is a step in the right direction.

Bill C-10 on which we are completing discussion today is a Bill that forgives the government-to-government debt that a number of sub-Saharan countries have with the Government of Canada.

It is important to recognize those countries as identified in the Bill. They are the Republic of Camaroon, the People's Republic of the Congo, Republic of the Ivory Coast, Gabonese Republic, Republic of Ghana, Republic of Kenya, Democratic Republic of Madagascar, Federal Republic of Nigeria, Republic of Senegal, Kingdom of Swaziland, Republic of Zaire, Republic of Zambia and Republic of Zimbabwe.

This at least is a recognition by the Government of the incredibly bleak conditions that face the people in those sub-Saharan countries. Time and time again we are reminded as Canadians, normally through the news media, of the terrible conditions that exist for the people in those countries. We are not reminded every day because those terribly horrible conditions are not news, as we normally define news. They are on occasion flashed on our television screens or covered in various publications. For the people of the sub-Saharan, and generally people of developing countries, these terrible conditions go on day after day, year after year, decade after decade.

As parliamentarians, we are aware of those situations. Over the years we have urged the Government of Canada to take appropriate steps. That is why today it is fair to say that on a government-to-government basis steps are being taken. We support this particular initiative to at least ease some of the debt burden that those countries have in terms of debts they owe to the Government of Canada as a result of a variety of aid packages and aid loans over the years.

However, it is important that we now go beyond this. While we say that this is a step in the right direction and as a result of this initiative that we are passing in Bill C-10 a small amount of the debt faced by those countries will be eliminated, it is only the tip of the iceberg in terms of the iceberg being the problem. The tremendous

debt problems those countries face is something that I do not believe Canadians are able to easily comprehend. I say that for two reasons.

When we in our country get into serious debt problems, either as individuals, as organizations, or as businesses, we have legislation that recognizes that from time to time this does occur, often through no fault of the players but because of changing circumstances. For example, a farm that might be struggling through difficult financial or climactic times may find itself in a bankruptcy situation. Often when people find themselves with a serious debt problem, it is not necessarily because of their inability to deal with the financial challenges that face them, but is as a result of outside circumstances that create this debt situation to a point where repayment of the debt is simply impossible.

In our country when that occurs to individuals, businesses, organizations, we have backruptcy and insolvency legislation to deal with that in order to attempt to recognize that steps must be taken to pay off, as much as possible, those to whom the money is owed. But we are not in a position to drive those individuals into starvation, or literally to destroy the lives of the people and their families involved. We have taken on a rather humane view of financial crises that individuals, groups and companies experience.

That same logic and goodwill ought now to be extended to the developing countries. When one looks at the plight that they are in, at the incredible financial and economic challenges faced by them, in most cases those challenges have nothing to do with the people themselves but are foisted upon them from outside.

We all recognize that as a result of a variety of forces, the sub-Saharan countries have faced incredible drought problems. Rural and particularly nomadic peoples have been forced to move off their traditional lands and focus their activities in certain areas, and as a result overgrazing and desert expansion results. It seems that the natural environment that has sustained previous generations for hundreds and thousands of years simply evaporated overnight as a result of desert conditions extending into the sub-Saharan area day by day.

If we were honest, we would all recognize that the developed countries, the First World and the Second World countries as we define them, have exploited the Third World countries, the Fourth World countries and the developing countries for years and years. They have gone in and extracted their natural resources and taken advantage of the desperate situation in which the people find themselves and have exploited the people in a variety of ways.

We do not have to look any further than the so-called free trade zones on the American-Mexican border where people are working for a few cents a day. Those same people working in a country such as Canada would be paid $7 or $8 an hour. That is the reality. We have exploited those people in these countries for decades.

Now those countries find themselves in a desperate situation financially. We have to ask what our response has been. By "our" response I do not necessarily refer to the Government of Canada directly, but I do indirectly, because it involves our chartered banks that operate overseas, it involves organizations such as the World Bank and the International Monetary Fund, organizations of which we are a part. The answer that those organizations have placed on those countries is to impose what can only be described as a new right concept in terms of applying market-place forces on those countries and asking them to cut back on important government services in terms of developing urban and economic infrastructure, cut back on education, cut back on health care, and cut back on housing. In other words, imposed a veil of poverty and starvation on the people of those countries. That is the reality. We can couch it in all manner of fancy economic terms.

Recently, not in the sub-Saharan but in Venezuela, some pointy-headed bureaucrats who sit in Washington, D.C. making decisions on behalf of the IMF have suggested an incredibly oppressive package be placed on that country. That country has been given no alternative because it needed a carry-over loan because of the tremendous debt situation it is experiencing.

The International Monetary Fund stated that it would loan Venezuela the money to carry it over the next number of months, if it imposed upon its people a harsh and cruel program of restraint. That country was given no alternative. We saw rioting in the streets as the gas prices were increased significantly and people had to abandon their cars because they simply could not afford the cost of gasoline. They then had to depend on a public

transportation system which was already overburdened in some of the major cities, and whole cities ended up in chaos. There was rioting, killing, looting and burning as a result of the poorest of the country being the hardest hit. That decision was made by pointy-headed bureaucrats sitting in the United States with no understanding of the political, cultural and economic reality of those Third World countries, and no sensitivity.

We are part of that process. Canada, being a participant in the IMF and a player in the World Bank decisions, would have an opportunity to influence some of those decisions. When we look at the whole process of structural adjustment that the IMF, the World Bank, and the banks in the other developing countries are imposing on these developing countries, no wonder they are ending up virtually worse off as a result of this so-called adjustment.

• (1250)

I think it is only fair to say that adjustment becomes more intelligible when understood as a technology of control. What First World countries have determined is that our way of life in countries like the United States, Canada, and Western Europe ought to be imposed on the developing countries regardless of their culture, the realities of their economies, their traditions, or their social values. We are going to impose what has worked in our country on theirs.

We must recognize that what has worked and resulted in the prosperity that we experience today in countries like Canada, the United States and Western Europe is a result of exploitation of Third World countries. It goes right back to the very beginning with the Conquistadors going into Latin America and extracting, in a barbaric way, the resources back to Spain. We see the same thing here in terms of the reaction to exploitation of our native people through the fur trade from the very beginning of the Canadian economy.

We have to admit that our prosperity, wealth and lifestyle, of which we are very proud, to a certain extent in some cases and to a large extent in other cases, is based on the exploitation of people in the developing countries. So there is no way that we can impose our system of exploitation now focused on them because there is no one left to exploit. They cannot apply the same methods and technology of exploitation to those around them.

It is an unrealistic solution. Canada can make a difference in the international community, particularly as we participate in these international organizations that are making the decisions to impose this new right solution called "Structural Adjustment" on the people of the developing countries.

In conclusion, I want to say that we certainly do support this initiative. It is, hopefully, not an empty initiative that simply gives the impression that Canada is concerned.

I have spoken about the fact that while we might make some small concessions in terms of government-to-government loans due Canada by tearing up those papers requiring that loan repayment, we fail on two other counts that I think we have to recognize. There is one I have just mentioned in terms of our participation in organizations such as the International Monetary Fund. Also, how serious are we in developing and supporting the economy of the sub-Saharan countries?

The way we evaluate the Government's concern is by what we do with our overseas development assistance programs. Do we extend additional assistance to those countries in desperate need? Do we look at the developing country and identify new ways and means of supporting its efforts toward self-reliance and self-determination? I am afraid it is a very sad day for the Government of Canada to have to admit that, no, we are reducing our commitments.

As a matter of fact, during the last Budget, that section of the Budget that had the deepest, most wicked and cruel cuts, was that of overseas development. CIDA, one of the arms of our foreign aid work has made a tremendous difference in terms of changing, on a relatively small scale, the local economies in terms of developing people's basic training and skills, developing local infrastructure to allow people to develop self-determination and self-reliance. This Government has curtailed large expenditures in those areas. After all, the proof of the pudding is in the eating.

We can stand here for days and listen to government Members talk about their concern for the Third World and their interest in assisting Third World economic development. The reality is that we should be prepared to put our dollars to assist in those initiatives. I am sad to say that the reality is that the Government says, no, we

are not only going to cease expanding in these areas, we are going to reduce our commitment and reduce it significantly.

I say it is a sad day. While we see this Bill as a signal that perhaps the Government has come to its senses and recognized the responsibilities and obligations we have internationally, let us hope that we will see a change in attitude in terms of the amount of money we put into official overseas assistance. We should also take a more aggressive and pro-active position in organizations such as the International Monetary Fund and the World Bank. The Minister of Finance (Mr. Wilson) should urge our chartered banks that also have huge obligations in the Third World to recognize that we should be treating those countries and those people in much the same way as we treat our own people in this country through our bankruptcy and insolvency legislation.

Mr. Skelly (North Island—Powell River): Mr. Speaker, the debate today is certainly a critically important one. In some respects, it shows the concern of the Government for Third World nations in great difficulty.

I would like to ask my colleague about the prospect of External Affairs and the Government of Canada tying agreements such as this to certain specific conditions. I would like to put to him the proposal that the high seas drift-net fishery in the Pacific Ocean is one of the most destructive undertakings in the world. It has been put forward as the biological destruction of the Pacific Ocean.

In this particular arrangement, we have countries who are buying high seas illegal fish from Taiwan, a country that manufactures, processes and catches fish illegally. The question is whether we, as humanitarians, are prepared to make an important gesture to these countries.

We do not have any diplomatic relations with Taiwan. Therefore, we are not able to undertake a treaty with them or open discussions with them. What we can do is stop the flow of illegal produce.

The question I would put to my colleague is whether it is reasonable to ask those countries to join with us in an action that would protect an enormous part of the environment of this earth by stopping the flow of illegal high-seas fish that are captured in the north Pacific by stopping the destruction of millions of sea mammals and sea birds. This activity is described as strip mining and is destroying the Pacific Ocean. It is so critically important that we give consideration to Canada becoming involved in a major gift, as it were—

The Acting Speaker (Mr. Halliday): Order, please. The Chair would ask that you try to demonstrate the relevance of that question to the Bill under debate.

Mr. Skelly (North Island—Powell River): Mr. Speaker, I would certainly be prepared to demonstrate the relevance of it as there is an indication that the flow of illegal product moves into these Third World countries. The dilemma we have is that with an illegal operation in Taiwan we do not have any influence to exert on Taiwan. These countries could assist us in return for the gift of forgiveness of loans by Canada. We could certainly be in a position with External Affairs to make it a condition that they not accept this illegal, destructive produce in return for that gift; that they join with us in the United Nations to stop this activity and that they also form a third-party arrangement through agreement to stop the activity which destroys the Pacific Ocean. It is vitally important to us that in a gesture such as this, where Canada is forgiving loans to other nations, it would not hurt to ask whether they would be prepared, in return, to join with us on such an important undertaking.

This Government's record on this particular issue, where it put five observers on foreign ships that were plundering the ocean, the Americans withdrew from it. They said it was absolutely ridiculous and more direct, vigorous action had to take place. This Government's action on the high seas drift-net activity is absolutely disgusting. It is destroying jobs. It is destroying the environment.

We should be asking other nations to join with us. It is a fair and relevant question to my colleague that I hope he has time to answer.

Mr. Riis: Mr. Speaker, the question demonstrates to me, as much as anything, the incredible interest the Hon. Member for North Island—Powell River (Mr. Skelly) has in the destruction of the resources of the Pacific as a result of the drift-net technology. On every occasion possible, he raises the concerns of so many people on the West Coast of British Columbia. The Government appears to be taking little interest in this initiative. I think we all agree, and I see a number of nodding heads—I am sure I speak for everyone in the House—that we would all like to see the Minister of Fisheries take a much more aggressive position in terms of the Taiwanese, Japanese and South Koreans fishing with the

use of the drift-nets which are literally destroying that Pacific Ocean resource.

• (1300)

Having said that, I think perhaps the most appropriate response would be to say that, yes, actions can be taken but actions can only be taken if the Government of the day has the will to stand up to countries such as Japan, Taiwan and South Korea, which countries are overfishing. If you like, Mr. Speaker, fishing might be the wrong term. It is the biological destruction of the resources of the Pacific Ocean—a total destruction of that resource.

In summary, I appreciate the Hon. Member's intervention. It was a thoughtful one. It is one that he has made often. Hopefully, the Government will be listening soon.

The Acting Speaker (Mr. Halliday): Resuming debate with the Hon. Member for Welland—St. Catharines—Thorold.

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Mr. Speaker, I would like to compliment you on the latitude that you give Members of the House of Commons when entering into these sorts of debates.

Bill C-10, is a Bill for the forgiveness of debt in—

Mr. Skelly (North Island—Powell River): Mr. Speaker, I rise on a point of order. In terms of referring to another Member's intervention, I suggest that the high seas drift-net fisheries is such a dangerous and destructive thing that the Hon. Member should probably include the topic in his speech. Perhaps the question of the relevance of tieing this issue to loan forgiveness is important. I would like to hear him stand up for the people of Canada and indeed for the—

The Acting Speaker (Mr. Halliday): I am afraid that that is not a point of order. It might be a point of debate.

Mr. Parent: Mr. Speaker, I do not withdraw anything that I said.

To get on with the debate at hand, it concerns the forgiveness of debts in the sub-Saharan regions. I want to go on record with my colleague, the Hon. Member for Notre-Dame-de-Grace (Mr. Allmand), in saying that my Party concurs with the principle of what this Bill is trying to do. In our concurrence, however, we do not thoroughly agree with everything that is being done, but we believe that we are on the right track in terms of the forgiveness of debt in these particular countries.

I wish to try to put a more human face on the debate and what is going on in Africa now. Three months ago I had occasion to have a luncheon with the Minister of Health for the Sudan. She had been visiting Canada along with her brother. They spoke to a number of parliamentarians here on Parliament Hill. They were telling us about the state of health of the people but, more particularly, of the children of the Sudan which left us very near to tears.

A few years ago I was in Washington. I overheard a conversation between two representatives of farmers' groups from a country called Lower or Upper Volta, I am not sure which. They were talking about mechanizing in their country, mechanizing in order to bring forth better crops. Since I have a farm implement dealer factory in my riding, I was pretty much interested in what kind of machinery they were using. They were talking about mechanization and the fact that they were at last going to get, I think, a horse or a donkey rather than having the children and the wife pull the ploughs. We are dealing here with countries which are not only underdeveloped but which about I think it would be fair to say lack even the basic tools to feed themselves.

In this debate I would like to put a human face on Bill C-10 and what is happening in Africa. For almost 900 million people, approximately one-sixth of mankind, the march of human progress has now become, in my opinion, a retreat. In many nations development is being thrown into reverse. After decades of steady economic advance, large areas of the world are sliding backward into more abysmal poverty.

Throughout most of Africa, average incomes have fallen by 10 per cent to 25 per cent in the 1980s. In the 37 poorest nations, spending per person on health has been reduced by 50 per cent and on education by 25 per cent over the last few years.

In almost one-half of 103 developing countries from which recent information is available, the proportion of six to eleven-years olds enrolled in primary school is now falling. Not only do they not have the money to take care of themselves in terms of health and food, they cannot even nourish the minds which in the future might get them out of their cycle of poverty. In other words, it is the children who are bearing the heaviest burden of debt and recession of the 1980s. In tragic summary it can be estimated that at least half a million young children have died in the last 12 months as a result of the slowing down or reversal of progress in the developing world.

For most of the countries of Africa, Latin America and the Caribbean, almost every economic signal points to the fact that development has been derailed, per capita GNP has fallen, debt repayments have risen to a quarter or more of all export earnings, share in world trade has dropped and the productivity of labour has declined by one or two percentage points each year throughout the entire 1980s.

It is the young child whose growing mind and body is susceptible to permanent damage from even temporary deprivation. It is the young child whose individual development today and whose social contribution tomorrow is being shaped by the economics now. It is the young child who is paying the highest of all prices and who will bear the most recurring of all costs for the mounting debt repayments, the drop in export earnings, the increase in food costs, the fallen family income, the rundown of health services and the narrowing of educational opportunities.

Too often, spending money on health or education is regarded as a form of consumption which can only be afforded in times of plenty. Protecting the health and education of these children is the basic of all investments in the physical and mental capacity of the next generation and, therefore, in the social and economic development of all societies and, most particularly, in the societies of the sub-Sahara.

It is no longer necessary for approximately 40,000 young children to die every day, every day even as we speak in the developing world, and for so many millions more to live on with ill-health and poor growth. The advances already achieved during the 1980s in immunization, in family spacing and in the drafting of a convention on the rights of the child are among the great humanitarian achievements of our times, something in which our country has taken a part. However, these are jewels in a tarnished crown. Without restoring the forward momentum of economic development, it will become increasingly difficult to sustain such progress.

Two elements have dominated the deterioration of economic prospects over so much of the developing world in recent years. They are rising debt payments and falling commodity prices.

The total debt of the developing world is now over $1,000 billion U.S. In many countries annual repayment of interest and capital amount to more than the total of all the new aid and loans being received each year. On average, repayments now claim about 25 per cent of the developing world's principal export revenues.

The developing world still depends on raw materials for the majority of its export earnings. However, in the last 10 years real prices for the developing world's principal commodities have fallen by approximately 30 per cent. The fall in new commercial lending and the inadequate and static levels of official aid complete the four walls of the financial prison in which so much of the developing world has been incarcerated during this decade.

• (1310)

In 1979, a net of $40 billion flowed from the northern hemisphere to the developing nations of the south. Today that flow has been reversed. Taking everything into account, loans, aid repayments of interest and capital, the southern world is now transferring at least $20 billion a year to the northern hemisphere. That is a difference of $60 billion which could be used in helping these developing nations. As a result, most of the affected nations have been forced to adopt economic adjustment policies in an attempt to stave off balance of payments crises while at the same time meeting debt obligations, maintaining essential imports and struggling unsuccessfully to return to economic growth.

The need for adjustment is not really in question. The manner of adjustment by contrast is an issue which is both complex and controversial. Now with or without support from the International Monetary Fund, the IMF, adjustment policies have usually taken the form of a dampening down of demand, a devaluation of the currency, a withdrawal of subsidies on fuel and stable food

stuffs and deep cuts in Government spending. In total over 70 developing nations are now struggling to adjust their economies by just such methods.

I have here, as an aside, a copy of *The Financial Post*. This great literary newspaper seems to be in favour of just this type of thing. I know when they are in favour of something like that, it is a very good reason for myself and anyone in the Liberal Party to be against it.

It is the poor and the vulnerable who are suffering the most, and for two main reasons: First, the poor have the least economic "fat" with which to absorb the blow of recession. Often three-quarters of the income of the very poor is spent on food and much of what remains is needed for fuel and water, housing and clothes, bus fares if they have buses and most needed of all, medical treatment. In such circumstances a 25 per cent cut in real incomes obviously means going without even the basic necessities in these countries.

The second reason is that the poor also have the least political muscle to ward off the blow. The services which have been lost or radically pruned are health services, primary education and food and fuel subsidies, the services on which the poor are most dependent and which they have the least opportunity to replace by any other private means.

Over the last decade, for example, the proportion of Government expenditure devoted to health has fallen in most countries of sub-Saharan Africa, in more than half of the countries of Latin-America, in the Caribbean and in one-third of all the nations of Asia. There is little doubt that adjustment strategies are failing in at least two major ways. First, as I have already pointed out, they have placed a disproportionate burden on the poorest and most vulnerable, and the children are those who are the most vulnerable of all.

Second, they have succeeded in a principal aim of allowing indebted economies to escape from debt to return to healthy economic growth. It is this second failure to restore growth which must be urgently addressed in order to protect the poorest and the most vulnerable, and also to contribute to a quickening of economic growth of a kind which smaller and poorer producers could both contribute to and benefit from. Despite the hardships being visited upon the poor, present policies for coping with the debt crisis are manifestly not succeeding in restoring economic growth to the most indebted nations.

For sub-Saharan Africa, in particular, the agonies of economic adjustment are evidently not the birth pangs of a new economic growth. Sooner or later the fact will have to be faced that in many countries attempts to pay interest and capital on the full amount of present debts is fundamentally incompatible with return to economic development. That is why at the beginning of my intercession today I said that our Party was in favour of the principle of this particular Bill. Debt payments at present levels may not only reduce consumption and all the human hardship that that implies, but also a reduction in investment and in future economic progress.

I want to quote a few figures from a paper which was written by Mr. John Locksley. In the past two years, it has become apparent that the world debt crisis is not confined to the large debtor countries, and that most African countries are facing debt obligations which they will find very difficult indeed. They are less spectacular than famine, and less threatening to our own financial institutions than debt difficulties elsewhere. The African debt crisis is of daunting proportions. Unless the outside world moves quickly to render assistance, many African countries will experience immense social and economic dislocation and deprivation as they seek to service their debts. That is why this is a good gesture on the part of this Government.

Figures for African debt outstanding are notoriously unreliable, but the International Monetary Fund estimates that they are over $130 billion. This figure has more than doubled in the last 10 years. It is now the equivalent of 150 per cent of the whole continent's total annual exports or 30 per cent of its total GDP. The debt of sub-Saharan African countries is equal to 230 per cent of exports and to 68 per cent of GDP figures which are well in excess of even the large problem debtors, the difficulties of which are so well documented.

The annual costs of servicing this huge debt have risen sharply from $3.6 billion in 1978 to over $15 billion today. Over the same period, Africa's export earnings have risen by only $20 billion. The bulk of this increase has been used for what? For bettering the lifestyle of the people there? For bettering their lives? No, for servicing the debt. Annually these commitments now absorb 28

per cent of all the export earnings, the highest for any region of the world outside of Latin-America.

It is apparent that many of these countries will be devoting significant proportions of their income and foreign exchange earnings for debt servicing in the years ahead. The negative consequences of this scenario are likely to be horrendous for the economic and social well-being of the affected peoples, most of whom even without this burden live close to the subsistence level. Their ability to purchase imports, so vital to the operation of their economies, will be severely constrained. This will lead again to unemployment, an excess capacity in industry and trade, a fall in investment and a lack of input into such key areas as agriculture, health and education.

I think that the point has been well made. I think that Members on this side of the House have stated the position of our Party. We are moving in the right direction in this debt forgiveness, but this Government should extend itself even more. It should reconsider, or at least consider in the next budget, and see to it that these people in Africa do not have any more cuts in CIDA, do not have any more cuts at least from this country. We should be opening up our hearts and in this case our purses so that the least fortunate people on this planet can have a chance to survive and live their lives in some kind of dignity.

• (1320)

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

Some Hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

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

[*Translation*]

Mr. Deputy Speaker: It being two o'clock, the House will now proceed to the consideration of Private Member's Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

ENERGY

NATURAL GAS EXPORTS

Mr. Ross Harvey (Edmonton East) moved:

That, in the opinion of this House, the "surplus test" should be restored so that no exports of natural gas from Canada would be permitted unless it could be shown that volumes slated for export were surplus to Canadian needs reasonably projected over the 25-year period following the commencement of the proposed export.

He said: Mr. Speaker, no doubt to the delight of those present here this afternoon, I propose to keep my remarks mercifully brief and to the point.

I would start by noting a couple of things about natural gas and Canadian supply. First, rolling in our non-conventional reserves, which is to say principally those Arctic reserves to which no pipeline has yet been built, we enjoy at current rates of export and domestic consumption about a 25.5-year supply of natural gas in this country. So, there is no question that the matter addressed by the motion is not an urgent one.

However, it should be noted that there are two overwhelming factors that we must constantly keep in mind when we address the question of domestic supply of natural gas. The first is, obviously, Canada is a northern country. We have cold winters. We need to be very careful in the husbanding of those energy resources which allow us to thrive and prosper during those long cold winters.

Second, as we move, for we must move, from excessive dependence on conventional gasoline and such fuels for the powering of our automobiles, the heating of our homes, and the running of our factories and other industry, natural gas will play a crucial transitional role. We will move to energy alternatives. We have no choice. It will happen. But in getting there we will be absolutely reliant on large supplies of natural gas as we move from old technologies to the new.

Those are the two things we should bear in mind in considering this matter. One, that we are a northern country and need energy resources and, two, that natural gas has a crucial environmental role to play in this country. It is in light of this that we should examine what is happening in the export market which currently is

most respondent to two overwhelming factors. The first factor is the willy-nilly deregulation of the oil and gas industry undertaken since 1985 and the second is the signing of the Free Trade Agreement with the United States and its implementation as of January 1.

There is no question that that gas bubble in the United States which had kept Canadian exports to that market at such a low level for so long is contracting. Indeed, it can be expected to disappear completely over the next five to ten years. In fact, there are already huge volumes of natural gas under consideration for export to the American market: for example, the applications now before the National Energy Board are for permission to export Arctic gas in volumes unprecedented in Canadian trade with that country. Currently there is nothing in regulation or statute, certainly not under the FTA, to prohibit a rapidly accumulating volume of exports to the United States of Canadian gas. There is no cap or ceiling. It is technically possible that we could wind up in a short period of time exporting 80 per cent of our proved reserves to the United States. I think that is unlikely but my point is that there is nothing in regulation or statute to prevent it. I think that would be a foolish thing to do but not technically impossible.

There is a very large expansion in the capacity of the transmission pipelines to the United States under way now. There are applications for new pipelines to be built and for further expansions of existing pipelines. There is no question that the players in the market are gearing up for greatly expanded exports to the United States,and this in light of what some industry analysts call the "FTA ratchet" which, simply put, is the provision in the Free Trade Agreement that gives the United States the mandate to continue to receive the proportion of our energy resources that the Americans received in the average of the previous three years should some regime of rationing be brought in. This means that as our exports to the United States grow in volume, our ability in the future to close off those exports to some degree is diminished in that we must always be prepared to supply to the Americans the same percentage of production that was in place prior to any rationing.

In the absence of any regulatory or statutory provision requiring the maintenance of some kind of reserve for Canadian use, we run the risk of signing over huge quantities of our gas reserves to the American market in virtual perpetuity. We may wish to do this. The Government may decide that this is a good and prudent policy. I do not agree but the point is we should understand that if that is the policy decision there will be those consequences.

I think it is prudent, especially in light of the Free Trade Agreement, that we return to a regime whereby a guaranteed supply is retained for Canadian purposes over a prudent period. Twenty-five years was the previous surplus test. It makes sense and is a good policy for Canada to return to that regime. However, I note as well that under the current deregulation regime, the simple imposition of a surplus test only would be grievously unfair to the producers because it would put an overwhelming bargaining tool into the hands of the consumers of the product.

If there were a 25-year surplus test requirement before the producers could sell any volume above that 25-year supply to the United States, it would be a simple matter for the principally-eastern-Canadian consumers to sit back and say: "Fine, you are not selling any of that until you bring the price down to something that we like". It is an easy scenario to envisage and one that I think would ensue almost immediately were we to return to a surplus test regime in the absence of other regulation. This is why I view this motion to be in tandem with other re-regulatory initiatives. We need to re-regulate the price especially with regard to the return to a border price test but as well the return to a regime of regulated pricing generally in Canada.

Is this a proposal for a return to a regulated price that would be bearable in consumer markets and give to the producers of the resource a fair return allowing them to go out and explore further to discover new reserves which, by the way, the current market price does not do?

• (1330)

Is this the thin edge of the wedge in terms of complete re-regulation? The answer, Mr. Speaker, is yes. Unqualifiedly, that is in fact what I am proposing.

If I may digress just briefly here, I would like to plead with those whose assigned task it is this afternoon to quarrel with this proposal, not to bring up the red herring of the National Energy Program. I realize that this request on my part is in all likelihood doomed to go unmet. But I feel compelled to make it regardless, for the simple reason that what is proposed here has nothing to do with the NEP.

The NEP in its three principal provisions imposed the PGRT, the petroleum gas revenue tax, diverted investment dollars from the western sedimentary basin to the frontier Canada Lands and provided a regime for the progressive Canadianization of the oil and gas industry.

Our government, having slain that particular jabberwock, "O Frabjous day!", cannot now claim that the return to a regime of regulated pricing, a 25-year surplus test, and the border price test has anything to do with the NEP. All of those factors in fact predate the NEP. They were left unchanged by the NEP. They were done away with, not in consequence of the doing away with the NEP, but in the coincidental elimination of various forms of regulation in the oil and gas industry.

I would argue that de-regulation has been in place long enough for it now to be understood as a grievous error. It has created a situation in which billions of dollars of investment have been drawn out of the Province of Alberta, and to a lesser degree other provinces, in which hundreds of companies have gone out of business, especially the independent Canadian juniors, in consequence of which Canadianization of the industry has been rolled back. We have lost the accumulated skill and expertise of decades in one fell swoop. The rate of the finding of new reserves has dropped to a trickle. The Americans in consequence have been granted a control over our reserves which they could not have dreamed of 20 years ago.

The central fact of the matter is that in Canada it is imprudent and heedless of Canadian history to rely on the market. In Canada, the market must be tamed and put to the purposes of public policy democratically arrived at. We rely on the market at the peril of our nation and to the enhancement of the Americans' nation.

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, the Hon. Member suggested that we not refer to the NEP. Frankly, I cannot help but refer to it when he speaks of regulated pricing in all forms of the oil and gas industry. That is precisely what the National Energy Program was for, a Made in Canada oil price.

Earlier today in Question Period, he talked about the banks and how money has been taken away from Alberta. The reason the banks failed was as a direct result of the National Energy Program. Real estate prices fell. Businesses failed. People lost their jobs. At the tail end of a recession there were bank failures.

With this motion and Motion M-97, the Hon. Member for Edmonton East (Mr. Harvey) suggests that we have a floor price. He is advocating the return to a national energy program or a program with similar consequences. Other than to have these few brief comments about the National Energy Program, I will not return to it. I think the Member for Edmonton East will be thankful for that.

Approval of the Hon. Member's motion would not only represent a return to past practice, it would be a step into the past, to the bad old days when the Government of Canada's energy trade policies were based upon notions of hoarding and unfair treatment of trading practices. It would imperil the stable and attractive investment environment that this Government has strived to achieve. Instead of promoting energy security, it would reduce it. It would also seriously affect the prospects for investment, employment and economic growth in Canada.

Since 1984, this Government has undertaken a number of initiatives to improve the health of the energy sector and to restore its vital role in achieving a sound energy and economic future in all regions of the country. Among its principal initiatives, this Government has deregulated oil and gas markets, undertaken regulatory reforms and eliminated unnecessary and onerous restrictions on trade in oil, gas and electricity. It has put in place a more balanced and profit-sensitive fiscal regime to encourage investment and development.

These initiatives were guided by one fundamental principle, that dynamic market forces are the most reliable and efficient means to guide energy production and consumption decisions.

This Government's energy policy has recognized the need to foster the development of Canadian resources and of competitive markets in order to create an environment in which, first, consumers are assured that sufficient and diverse supplies of energy will be available at fair and competitive prices, and second, producers benefit from a wide range of market opportunities and a stable and attractive investment climate. These policies do not mean that the Government has withdrawn from

the energy sector scene nor that the Government no longer has a legitimate role to play in energy matters. Quite the contrary.

While the Government's policy emphasizes the valuable role of market forces to guide energy production and consumption decisions, it also recognizes that markets are not always perfect. This Government takes seriously its responsibilities to ensure that the interests of Canadians are protected. The National Energy Board in particular performs an important monitoring and review role to ensure that markets are operating properly.

The existing market based procedure used by the NEB to review natural gas export proposals combines greater reliance on market forces with intervention if and when necessary in order to protect the interests of Canadian consumers and producers.

While the Government's regulatory framework has been streamlined, this is not an indication that it is any less effective. It is only an indication that the previous regulatory regime was terribly excessive, imposing severe costs on the producing industry while not providing any material advantage in terms of energy security for Canadians.

Canadians realize that true energy security cannot be achieved through hoarding. Policies which encourage competitive and responsive energy markets, coupled with appropriate emergency measures and international co-operation, are the most effective means of achieving energy security.

One of the best indicators of how we in Canada co-operate internationally is the Free Trade Agreement. In its simplest terms, the Free Trade Agreement calls for the freest possible bilateral trade in energy. This has been achieved through the elimination or reduction of tariff and non-tariff barriers and an establishment of rules to govern energy trade in the future.

At the same time, the Free Trade Agreement acknowledges the legitimate right of governments to maintain appropriate regulatory systems and to restrict exports when circumstances warrant. This does not mean that the Free Trade Agreement will result in a surge of exports above what would normally occur in a deregulated environment. The growth in the energy sector over time and the volume of energy exports to the U.S. or elsewhere will be guided not only by the availability of resources but by the economic opportunities that exist.

• (1340)

Can exports be restricted? Does this mean that Canada can no longer restrict exports to the U.S. or to other foreign markets even if it is in the public interest to do so? Clearly, we can restrict exports.

There are a number of reasons for which the Government might authorize export restrictions, all of which are recognized by the General Agreement on Tariffs and Trade and the Free Trade Agreement. The Free Trade Agreement includes some conditions that must be observed if the Government chooses to restrict exports in certain circumstances. Two points bear emphasis in this regard. It would rarely, if ever, be in Canada's interests to restrict exports. Restrictive action usually results in reduced revenues for Canadian energy producers, thus reduced incentives to find and develop additional supplies. Restrictions often entail a beggar thy neighbour approach to export customers and provokes strong resistance on the part of the producing provinces, especially Alberta.

Second, exports nonetheless can be restricted for reasons set out in the GATT. These include the existence of a short supply situation, the need to conserve depleting resources and to effect measures taken in connection with a price stabilization program. In other words, the Free Trade Agreement has addressed the Hon. Member's concerns.

If exports are restricted to deal with situations of critical shortages, conservation and in conjunction with price stabilization schemes, the FTA further provides that three conditions must be respected. The first condition is that Governments may not interfere to restrict export customers' competitive access to the share of total supply that they have previously enjoyed. This does not mean that Canada is obligated to supply or deliver that share. It simply means that governments will not interfere with the competitive access up to the allowable limit.

Canadian consumers, on the other hand, will have competitive access to all available supply.

The second condition is that the governments will not discriminate against U.S. customers by imposing higher prices on exports than those charged for domestic sales. Higher export prices may, however, result from competitive market forces. This provision applies only to government action to impose higher prices than those charged to domestic customers.

Finally, governments agree not to act in a manner that will disrupt normal channels of supply or the normal mix of energy products being exported. What is noteworthy about these conditions is that they apply only to exceptional circumstances and apply only to government actions that could otherwise result in arbitrary and discriminatory actions. In other words, they entail a presumption that the competitive operation of market forces will generally produce a better and fairer result than the arbitrary actions of bureaucrats. God knows, we have too many of those.

There are many other reasons for which governments or the NEB may restrict exports legitimately under both the FTA and the GATT. For example, restrictions imposed for the regulation of monopoly, for environmental reasons, for reasons of public safety or to correct the effects of unfair trade practices in the marketplace are all legitimate reasons for which governments might intervene. In these general circumstances, the proportional access provisions which I have outlined do not apply.

It is quite clear that the Hon. Member's motion providing for a return to a surplus test based on the argument that Canada has lost its ability to restrict exports is completely unnecessary.

In summary, let me re-emphasize the main points I have made. The setting aside of 25 years of reserve would run counter to Canada's energy policy which clearly emphasizes the critical role of competitive markets to achieve not only Canada's energy security objectives but also its important economic and regional development objectives. An arbitrary 25-year reserve requirement would impose severe costs on the industry, jeopardize the attractive investment environment in the oil and gas sector, increase federal, provincial and regional tensions and result in foregone opportunities for expanded trade and economic growth. This will mean fewer jobs for Canadians while we want more jobs, more economic opportunity and a fairer and more just society for Canadians.

Walter Van De Walle (St. Albert): Mr. Speaker, I am pleased to rise in the House to express my confidence in the National Energy Board as the custodian of our Canadian natural gas supplies. The National Energy Board has the sole legislative responsibility to protect reasonably foreseeable domestic natural gas requirements. In my opinion, the board has discharged this responsibility very well in the past, and I see no reason to doubt its capability to do this in the future.

My hon. friend from Edmonton East disagrees with this. He wants a surplus test to be restored, but not just any surplus test. Rather, he wants:

> That, in the opinion of this House the "surplus test" should be restored so that no exports of natural gas from Canada would be permitted unless it could be shown that volumes slated for export were surplus to Canadian needs reasonably projected over the 25 year period following the commencement of the proposed export.

What is so magic about the figure of 25 years? Why not a figure of 35 years or 15 years? The legal text which sets out the mandate and responsibilities of the National Energy Board in the area of licensing of natural gas exports does not refer to a magic number. Let me quote in part from section 118 of the National Energy Board Act which sets out the considerations applicable to the issuing of licenses:

> On an application for a licence, the Board shall have regard to all considerations that appear to it to be relevant and, without limiting the generality of the foregoing, the Board shall
>
> (a) satisfy itself that the quantity of—gas—to be exported does not exceed the surplus remaining after due allowance has been made for the reasonable foreseeable requirements for use in Canada having regard, in the case of an application to export—gas, to the trends in the discovery of—gas in Canada;—

There are three things to note about section 118. It provides a mandatory responsibility using the word "shall". It is within the sole purview of the NEB and it gives no indication or direction as to responsibility. There are no magic numbers or formulas in that text, and it provides no one way of doing things. Indeed, the National Energy Board has seen fit to modify its surplus determination procedures.

• (1350)

Let me review the various hoops which the surplus test, so dear to the Hon. Member for Edmonton East (Mr. Harvey), has gone through since 1959. Generally speaking, the model first established by the Alberta Energy Resources Conservation Board, the National Energy Board has used a formula approach to determine volumes of gas that are surplus to reasonably foreseeable domestic requirements. The methodology has been adapted according to changes or perceived changes in market conditions; that is, the methodology has tended to be more exacting when gas markets are tight and energy prices are rising, and more flexible when markets are soft, prices falling and supplies shut-in.

In the 1960s, a decade of resource discovery, development, and market expansion marked by little or no concern for supply and pricing, the National Energy Board used a stock approach. From established reserves, that is recoverable reserves, the Board deducted total requirements, that is a lump sum for Canadian sales, usually 25 per cent of the actual or forecast demand, plus a lump sum for authorized exports. The balance, if any, was considered to be available for exports. This formula approach did not take into account the increase or decline in demand, nor in future reserve additions, thus it was always possible to overestimate or underestimate a variable.

In the 1970s, energy markets changed very abruptly. Low prices had increased the North American gas demand, but also discouraged resource developments. At the same time, oil price shocks had fuelled world-wide concerns about energy security. The National Energy Board switched its attention from the adequacy of reserve bases to the adequacy of deliverability, that is the industry's ability to produce gas over a given period of time. In 1979, the Board added to its reserves test to deliverability tests, one based on the level of deliveries, and the other based on established reserves. All three tests had to be satisfied before exports could be authorized.

In the early 1980s, the gas market again changed dramatically. There was restrained demand, mature infrastructure, underutilized capacities, and surpluses were now the major characteristics. Thus, in 1982 the National Energy Board made some changes to surplus procedures, adopting a more realistic assessment of total requirements, that is, what actually would be sold versus what was licensed or contracted for sale.

In 1985, while negotiations leading to natural price deregulations were under way, and that is the time that this is taking place, the National Energy Board decided to review surplus procedures to determine their appropriateness in the light of anticipated policy and market changes.

In the spring of 1986, the Board introduced a surplus methodology based on the reserves/production ratio. The object was to maintain a ratio between reserves and production.

In September, 1987 the board announced that its current reserves to production ratio would no longer be appropriate, and it would be contrary to the free market operation if the level of gas supply to Canadians were to be determined by other than market forces. The Board moved to a market base procedure which is comprised of two elements, one of which is a public hearing component to air complaints and assess the impact of the proposed export and to determine whether the national public interest is being met as stipulated in Section 118 of the Act.

May I remind my hon. friend from Edmonton East that this new market base procedure was announced more than one year before the passage of the Free Trade Agreement? Thus, one cannot accuse the National Energy Board of bowing to the pressures of the Free Trade Agreement.

After a lengthy public hearing on the matter of surplus determination procedures—

Mr. Deputy Speaker: I regret to interrupt the Hon. Member, however, as the time has expired may I ask him to conclude?

Mr. Van De Walle: In conclusion, I see no reason why the House should vote to restore the 25-year surplus test as proposed by the Hon. Member. While he may take some comfort in numbers, personally I feel very confident in the good judgment of the National Energy Board.

[*Translation*]

Mr. Charles A. Langlois (Manicouagan): Mr. Speaker, it is a privilege for me today to speak on the motion presented by the Hon. Member for Edmonton East (Mr. Harvey).

Mr. Speaker, the natural gas surplus test established by the National Energy Board was based on the principle that the best way to ensure our energy security was to keep large amounts in reserve. This was an interventionist approach that substituted a bureaucrat's reasoning for the laws of the market. The Government believes that the best way to guarantee a secure natural gas supply is to ensure that markets work correctly, not to distort the rules.

It is said that those who do not learn from history are condemned to repeat the same mistakes. The energy crises of the 1970s were an excellent lesson. The main lesson that these upheavals in the petroleum market taught us is undoubtedly that any excessive government intervention is likely to do more harm than good. The history of natural gas is proof.

In the early 1970s, the surplus test was a large obstacle to the gas trade between Canada and the United States. According to this test, the National Energy Board would only approve exports if, in its opinion, Canada had sufficient reserves to meet its own needs for 25 years.

Mr. Speaker, the application of this test had three negative effects. First, we lost major export earnings, since the Board did not authorize any new gas sales outside of Canada between 1970 and 1979. Second, one form of intervention leads to another. Since the door was closed to exports, there was so little competition on the domestic market that the Government was obliged to regulate the domestic price of natural gas. Third, the natural gas producers were encouraged to develop gas that no one needed so that it could be put in reserve and included in the calculation for the surplus test.

• (1400)

It is extremely difficult to calculate what this policy has cost Canadians as a result of inefficient operations and in terms of foregone income. It probably amounts to billions of dollars, Mr. Speaker. Furthermore, Canada's reputation as a reliable trading partner has been tarnished.

Did Canada enhance its security of energy supply by creating such reserves? Not at all, Mr. Speaker. In fact, the surplus test points to a basic lack of understanding of the laws of the energy market.

In the case of oil, there is the constant threat of a sudden disruption of world supplies. More than half of the world's oil reserves are located in the Middle East, a region that suffers from political instability. Furthermore, most of the oil in Eastern Canada is imported. That is why the Government has introduced policies to deal with any disruption of supply. More specifically, the Energy Supplies Allocation Board would be able to activate a number of allocation and rationing programs should an emergency situation be declared. Canada is also a member of the International Energy Agency, whose emergency sharing system would guarantee that no member country would suffer unduly in case of a worldwide disruption of the oil market. Thanks to measures of this kind, Canadian oil consumers are protected against any interruption of supply, without adversely affecting the efficient operation of the oil market in our country.

In the case of natural gas, we do not have the same problem. Canada produces practically all the gas it uses, so that occurrences on the market outside North America do not really have an impact on our own market. In fact, we have no reason to expect a sudden disruption of the gas market.

Our major concern is therefore not that our access to natural gas might suddenly be cut off but that someday we might exhaust our supplies, so that consumers would be out in the cold, so to speak. Are we right to worry? Not at all, Mr. Speaker. If governments let the markets operate the way they should, none of this will happen.

In the early 1970s, some people predicted that we would have a shortage of natural gas before the eighties. In fact, in 1979 we had a surplus. What happened, Mr. Speaker? Despite government intervention, the market did its work. Prices rose, which caused production capacity to increase and consumption to slow down. When the same thing happened in the United States, there was a drop in demand for our exports. That is why the expected shortages never materialized. In fact, as governments changed their perspective and encouraged the substitution of gas for oil, the anticipated shortage changed into a glut.

Does that mean that we must always go from one extreme to another, from shortage to surplus? Not if we are prepared to accept the laws of the market as more efficient than rules made by bureaucrats in determining the ideal rate of depletion and in choosing the best forms of alternative energy or fuel saving! However, we do not need the "surplus test" to make sure that Canadians never run out of gas. If we let market forces operate,

prices will always adjust so that supply and demand remain in balance.

What about the long term? After all, is natural gas not an exhaustible resource? Mr. Speaker, as the price of natural gas rises, consumers will adopt other energy sources. Nothing leads us to think that this change will be rapid or disruptive. We already changed from one form of energy to another in the past, with no great economic consequences.

In the 1870s, 90 per cent of Canada's energy came from wood. In 1920, it was only 16 per cent, while coal accounted for 75 per cent. Fifty-five years later, in 1975, coal's share had fallen to 10 per cent, while oil accounted for 54 per cent and gas for 22 per cent. Everything suggests that the future transition from oil and gas to nuclear fusion and hydrogen or any other form of fuel will be just as easy. Furthermore, coal consumers started to use oil or gas long before coal ran out and we can expect that natural gas consumers will go to some other source of energy long before gas runs out.

All this does not mean, Mr. Speaker, that the Government has no role to play in the natural gas markets. Obviously, market forces can fail. The present market-based procedure serves to ensure that Canadians have fair access on normal business terms to their own natural gas supplies.

Mr. Speaker, I would be negligent if, in closing, I did not talk briefly about natural gas from an environmental point of view. Gas is the least polluting of all fossil fuels because it produces less sulphur dioxide and carbon dioxide emissions than coal or oil. Sulphur dioxide contributes to acid precipitation, while carbon dioxide adds to the greenhouse effect. Building up gas reserves therefore does nothing to safeguard the environment. On the contrary! If Canada exports less gas, the United States will probably burn more oil and coal. We should encourage the use of natural gas, not limit it!

[*English*]

Mr. John A. MacDougall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, it gives me great pleasure to speak on Private Member's Motion No. 97 of the Member for Edmonton East (Mr. Harvey). It gives me pleasure to endorse the deregulate-denvironment of Canada-U.S. natural gas trade.

Recent regulatory and policy initiatives have created a framework that allows the industry access to market opportunities. That also provides a method of oversight to ensure that exports are in the over-all public interest.

Allow me to review the accomplishments of the natural gas industry. Canada has the most competitive natural gas market in the world. Our competitive market is working to the benefit of both producers and consumers. With the achievements to date, our industry is in an excellent position to withstand and benefit from the energy market volatility that seems to lie ahead. In short, we have a success story in which we can take pride.

It is worth noting that our natural gas deregulation policies were primarily driven by developments in and the objectives for the Canadian gas market. After all, 60 per cent of the marketable gas produced in Canada is consumed at home. Tangible evidence of the success of deregulation is the increased competitiveness and market responsiveness of the Canadian natural gas prices. The weighted average domestic price for the years 1987-88 is more than $1 per gigajoule lower than the pre-deregulated price of $2.79 at the Alberta border. In turn, this has increased the competitiveness of gas *vis-à-vis* alternate fuels and enhanced the ability of industrial gas users to compete internationally. A similar degree of progress has been achieved in the natural gas export industry. Volume wise, 1988 was a banner year for natural gas exports. Exports of 1.27 trillion cubic feet in 1988 surpassed the previous record established in 1972 by roughly 25 per cent. As a result of these export sales, Canadians captured roughly a 7 per cent share of the total U.S. natural gas market, the largest portion ever.

On a regional basis, imports of Canadian gas assume a greater importance. For example, about 30 per cent of total California supply comes from Canada and about 71 per cent in the Pacific northwest. Certain border accommodation markets such as Vermont and upstate New York are entirely dependent on Canadian gas.

Although the surge in export volumes has been accomplished by a decline in average export prices, gas export revenues grew 15 per cent in 1987 to reach $3 billion in

1988. In Canadian currency, this represents the first major increase in revenues in three years.

• (1410)

Notably, Canada–U.S. trade in natural gas has not been one way. One of the offshoots of Canadian gas deregulation has been the reactivation of U.S. exports into our eastern markets. To date, the volumes have been small, less than 20 billion cubic feet, and limited by capacity constraints, although still strategically important both from a price discovery point of view and ensuring greater flexibility and security in gas supply systems.

It is perhaps worth remembering why Canada–U.S. trade in natural gas began at the turn of the century and subsequently prospered. For the U.S., Canadian gas offered the proximate long–term supply security needed for market development. In several instances, U.S. markets were closer to Canadian supply than to lower 45 production.

For Canada, exports provided the economies of scale needed to finance the major pipeline systems which attached supply to market, and were also a means of generating producer cash flow.

Although we have a surplus of natural gas relative to domestic demand, Canadians have always been somewhat ambivalent about exports. Recognizing both the importance of natural gas in meeting our total energy demand of 30 per cent and the non–renewable nature of the resource, Canadians have consistently sought reassurances that exports would be in the public interest. This ambivalence has been reflected, virtually since the turn of the century, in policies and consequent legislation and regulations governing pricing and licensing of natural gas exports.

However, historically, regulatory policies on both sides of the border have tended to distort prices and limit levels of gas demanded. Both the Canadian and U.S. Governments have worked hard over the past five years to place bilateral gas trade on a competitive, market–oriented basis.

In Canada, the regulation of gas exports is carried out by a federal agency, the National Energy Board, and includes three major functions. They are to ensure that gas to be exported is surplus to reasonably foreseeable domestic requirements; to establish tolls and tariffs, that is, conditions of access, for Canadian pipelines serving domestic and export markets; and to issue certificates of public convenience and necessity for the construction of interprovincial and international pipelines.

We have been particularly fortunate in that our governing legislation and the regulators who implement it have been sufficiently flexible to adapt rapidly to changing policy and market circumstances.

A case in point, consistent with domestic deregulation, the NEB replaced a rigid formulaic approach in place for 25 years, with a market–based procedure to determine if gas to be exported is surplus to Canadian requirements. The procedure has three components. They are the ongoing monitoring of and reporting on specific market gas developments and over–all Canadian energy supply market trends. This is intended as an early warning system to alert industry to possible future market disruptions.

The second component is the public hearings at which applications for long–term—in excess of two years—export licences are reviewed to determine over–all public interest.

The third component is a complaints procedure to ensure that no Canadian user is unable to contract for supply under terms and conditions similar to those in a proposed export arrangement.

To date, the new procedure has been used successfully to assess several export licence applications.

The Free Trade Agreement with the U.S. is a logical extension of this earlier deregulation process. The Free Trade Agreement basically entrenches the conditions under which exporters are able to compete actively in U.S. markets and gain market share. However, a form of public review and export–import licensing does remain in place for the following reasons: to obtain statistics on trade; to ensure orderly marketing; to monitor supply and demand trends; to ensure broad public interest criteria are met; and to ensure that there is no discrimination in the access to markets or to supplies.

Given these initiatives, what is the outlook for Canadian gas exports? Clearly, long–term exports for general system supply will continue to be the backbone of our natural gas trade. However, thanks to the flexibility of our export policy, Canadians have become active players in the U.S. spot market. Some 25 per cent of the volumes flowing are under short–term orders. Indeed, the willingness of Canadian producers to sign long–term export contracts provides them a competitive advantage in the U.S. market *vis–à–vis* their American counterparts. U.S. producers have demonstrated a reluctance to submit to

similar terms and their contracts frequently relate to "well deliverability".

Canada has significant proven and potential gas supplies in both the western sedimentary basin and in frontier regions. For example, at year-end 1986 Canada had roughly a 25-year supply available from remaining reserves of 72 trillion cubic feet. With frontier discoveries included, the established reserves are estimated at 89 trillion cubic feet. Thus we are well placed to take advantage of new market opportunities.

However, at present levels exports are reaching the limits of capacity. Additional volumes to meet growing U.S. demand will require the construction or expansion of systems in Canada and the U.S.

Mr. Speaker, it has been a great honour for me to take part in this debate.

Mr. Bruce Halliday (Oxford): Mr. Speaker, first, let me apologize to you for my rather husky voice. Let me say that while we are talking on the subject of hydrocarbons I could use some form of hydrocarbon for my voice.

I would like to congratulate the Hon. Member for Edmonton East (Mr. Harvey) for having been able to introduce a Private Member's Motion into the House at such an early date in his career. It surprised me a bit that somebody from Alberta would want to put a clamp on the export or use of hydrocarbons from Alberta. I would have expected someone like myself from Ontario to be one who might fall for the idea of trying to limit the use of natural gas.

This is a motion with which I perhaps would have agreed some 15 or 25 years ago. However, I think the passage of time has suggested that perhaps this thought is outdated. Indeed, the National Energy Board surplus tests for natural gas was based on the belief that hoarding our energy supplies was the best way to ensure energy self-sufficiency or security. That policy is definitely an interventionist policy. It has as its objective to substitute bureaucratic wisdom for natural market forces. I think that is where the problem lies. I know that my hon. friend from the NDP perhaps would not like to talk about the natural market forces. However, history shows that they do work.

It is a belief of the Government that the best way to ensure that security of natural gas supplies is not to override market forces but to make the markets work. It has been said that those who do not learn from history are doomed to repeat it. There is much to learn from the two energy crises of the 1970s. Unquestionably, the prime lesson to be derived from the ups and downs in the petroleum sector is that excessive government intervention can do a lot more harm than good. Indeed, the history of the natural gas surplus test is a case in point. By the early 1970s, the surplus test represented a major constraint on the trade of natural gas from Canada to the U.S. In accordance with this test, new exports of natural gas were permitted only if, in the view of the National Energy Board, sufficient gas reserves existed to satisfy Canadian needs for 25 years. This test had three major negative effects. First, there was a significant loss of export revenues between 1970 and 1979, which of course had a big effect on Alberta producers. There were no new exports of natural gas allowed.

• (1420)

Second, intervention begat intervention. With the export markets cut off, there was virtually no competition left in the Canadian market. The Government then had to regulate the domestic price of gas.

Third, natural gas producers were given an incentive to develop gas that nobody wanted so that it could then be shut in and included in the surplus test calculation. It is extremely difficult to estimate the cost to Canadians of this policy in terms of the inefficiencies that were created and the revenues that were lost, but it would likely be in the billions of dollars. In addition, there was the damage to Canada's reputation as a reliable trading partner.

Did Canada enhance its security of supply by hoarding its gas supplies in this fashion? No, because the surplus test represents a fundamental misunderstanding of how energy markets work.

I see, Mr. Speaker, that I am running of time, but I would be remiss if I did not add a word about natural gas and the environment. Natural gas is the cleanest burning of the major fossil fuels. It produces fewer sulphur dioxide emissions than oil and coal and fewer carbon dioxide emissions. Sulphur dioxide contributes to acid rain and carbon dioxide contributes to the greenhouse effect. Hoarding of natural gas therefore will not help the environment. In fact, the opposite is likely to be true.

If Canada exports less natural gas, the U.S. is likely to burn more oil and more coal. We should be encouraging the use of natural gas, not prohibiting it.

[*Translation*]

Mr. Deputy Speaker: The period for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1), this item is dropped from the Order Paper.

[*English*]

It being 22 minutes after two o'clock, pursuant to the order made Tuesday, June 13, 1989, this House stands adjourned until Monday next at 11 o'clock pursuant to Standing Order 24(1).

The House adjourned at 2.22 p.m.

HOUSE OF COMMONS

Monday, June 19, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the Government's response to 30 petitions.

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

* * *

[*Translation*]

BILL C-17

PRESENTATION OF LEGISLATIVE COMMITTEE REPORT

Mr. Guy Ricard (Laval): Mr. Speaker, I have the honour to present, in both official languages, the report of the Legislative Committee on Bill C-17, an Act to amend the Customs Tariff, without amendment.

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

* * *

[*English*]

PETITIONS

NOISE FROM PEARSON INTERNATIONAL AIRPORT

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, pursuant to Standing Order 36 I have the honour to present a petition from a number of constituents of Mississauga South dealing with the problem of air noise over Mississauga South occasioned by the activity at Pearson International Airport.

CALL FOR CBC TRANSMITTER

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, I have the honour to present a petition from the residents of Wollaston Lake and Hatchet Lake in the north part of Saskatchewan. There are about 900 people in those communities, 300 of whom have signed this petition. The only media services they get are those from satellite. There is no local, provincial or regional media coverage.

This petition calls on the CBC to build a transmitter, as is its mandate for every community with a population over 500. It is my honour to present this petition to call upon the CBC to build a transmitter in Wollaston.

RCMP UNIFORM

Mrs. Barbara Sparrow (Calgary Southwest): Mr. Speaker, I have the honour under the provisions under Standing Order 36 to present many petitions containing the signatures of 9,833 citizens of Calgary who want to retain the uniformity of the RCMP uniform.

These petitioners say that the RCMP has a long and honourable tradition, known and admired around the world. They want to make it clear that they are not discriminating on race, national or ethnic origin, colour, religion, sex, age or mental or physical disability. The Charter of Rights and Freedoms prevents that under equality of rights provisions in Section 15.

All persons must have the right to apply for positions in the RCMP and, of course, competence and qualifications must be tested and criteria must be maintained. The uniform of our RCMP is part of our Canadian heritage and our Canadian culture. That is what these signatories want to preserve.

These petitioners humbly pray and call upon Parliament to preserve the distinctive heritage and tradition of the RCMP by retaining the uniformity of the dress code

with all the recognized colour and trappings that have such a great historical value for this country.

I want to thank the three ladies in Calgary, Alberta, who worked days, weeks and months to obtain the 9,833 signatures. They are proud Canadians and want the Canadian identity protected.

• (1110)

UNEMPLOYMENT INSURANCE ACT AMENDMENTS

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I rise under the provisions of Standing Order 36 to table a petition with this House. The petition is signed by residents in the Kingston, Napanee and Ottawa area of this province. They express their concerns about the changes to the Unemployment Insurance Act.

The petitioners call upon Parliament to move immediately to adopt the recommendations presented to it by the Standing Committee on Labour, Employment and Immigration in its report to the 33rd Parliament, Second Session, and reject any proposals to fund much–needed training programs from unemployment benefit funds.

CLOSING OF CFB SUMMERSIDE

Mr. George Proud (Hillsborough): Mr. Speaker, pursuant to Standing Order 36, I have the honour today to present to this House a duly certified first instalment of a petition from over 6,500 concerned citizens of Prince Edward Island.

This petition was circulated by Mr. Frank Lewis of radio station CFCY and Ken Simms of *The Guardian Patriot* newspaper on behalf of those who wish to save the CFB Summerside because of the socioeconomic and emotional impact of this decision. It is of great concern to all Islanders that the Government reconsider its decision.

ALLEGED MILITARIZATION OF ECONOMY

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, pursuant to the same rule, I have a petition from a number of people in Edmonton, Alberta and other parts of Canada opposing the Government's spending on arms and armaments and its involvement in the arms bazaar here in Ottawa. These people are not against bases like Summerside where there are search and rescue and similar activities. They are against military spending on arms and dealing with countries that are human rights violators. I would like to table that petition.

UNEMPLOYMENT INSURANCE ACT AMENDMENTS

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my pleasure and honour to present a petition pursuant to Standing Order 36 on behalf of a number of residents of Kamloops, British Columbia who are utterly dismayed that the Government plans to have people that receive unemployment insurance pay for their own training.

It is a long petition, and it lists all the reasons for their feelings of betrayal, frustration and disbelief that the Government of Canada would act in such a cruel way. So I will table it, Mr. Speaker, and perhaps you will have a chance to look at it later yourself.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper Parliamentary Secretary to Government House Leader): Mr. Speaker, just before asking that the questions be allowed to stand, I would like to indicate that there are about seven or eight questions that we are presently behind on the 45 day notice. I wish to indicate to the House that I am doing my best to get those in as quickly as possible. But I would ask that all the remaining questions be allowed to stand.

Mr. Riis: Mr. Speaker, I appreciate the point that there may be some questions on the Order Paper that would require longer than the 45 days for justifiable reasons. I would ask that the Government, when it finds itself in that position, consult with the Opposition House Leaders so that our Members can be informed that answers are actively being pursued and will be forthcoming.

Mr. Cooper: Mr. Speaker, I will be happy to co–operate with that suggestion. I can indicate that most of the questions that are outstanding are from this side of the House rather than the Opposition side, but we will certainly take that into account.

Mr. Speaker: I must say that probably all Hon. Members appreciate the Hon. Parliamentary Secretary indicating that there is some difficulty in meeting the 45 day request. The Hon. Member for Kamloops is completely within his rights in asking that there be some discussion when this does happen. It may not be a procedural rule, but it seems to me that it would help matters in this

place. I appreciate the Parliamentary Secretary's approach to this.

Mr. Cooper: Mr. Speaker, I ask that all remaining questions be allowed to stand.

Mr. Speaker: Is it agreed?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1989-90

MEASURE TO ENACT

The House resumed from Wednesday, June 14, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-11, an Act to provide borrowing authority, be read the third time and passed.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I am delighted to have the opportunity to speak on the borrowing Bill today. I have heard a lot being said about this particular Bill, the Budget and all the things that have led up to it. It is difficult to speak without repeating much of what has been said before, but one has to really put this whole thing into perspective. Standing on this side of the House it is very difficult to say something without being accused of being partisan, but that is fair game.

Let me assure you and all Members of the House, Mr. Speaker, that as I stand on my feet first thing on a Monday morning at 11.16 a.m. to talk about the borrowing Bill, the results that will emanate from the way the Government is doing its business and the effect it will have on my riding and the people in it, need to be summarized one more time for all sides of the House.

I would preface my comments by saying that if they appear to be overly partisan, that certainly was not the original intent. The thread through my presentation, if there is one, will be how this is viewed by rural Canada and what it will mean to the people of my riding of Bonavista—Trinity—Conception who have their own vision of Canada. It is fair that I should be allowed, even compelled, to represent their vision on this very important subject as it will have an effect, not in the short term, but in the long term, not just on the finances and deficit control in this country, but on our Canadian way

of life and, in particular, on our rural Canadian way of life. That very much includes my riding.

There are certain areas on which I would like to focus. First, I would like to give the impression that people have that I have spoken to in the last couple of months. They believe that the Government and the big business community together have a narrowly focused agenda that has been brought out in this Budget and indeed in the Throne Speech itself. Their perception is that what these two have done is to focus solely on the substantial cuts to Government spending, concentrating on defence and cutting out social programs that have been a part of the Canadian way of life for a long time; indeed unemployment insurance since 1940. They believe that there is a joint desire to impose a new massive regressive sales tax on the people of Canada. I can understand their perception. By the way, I believe the perception is entirely correct.

I would like to review some of the things that have been said by some of the spokesmen for the business community. The thread, if there is one, is that there is a lot of talk about the need for cuts in social programs, and a Government response to the Free Trade Agreement. I am not going to try to link any of the ills to the Free Trade Agreement. Anything I have to say will have to stand on its own.

However, the belief is that in order to get moving on the things that need to be done by the Government side of the House, it would appear that the level playing field that was discussed so frequently in the free trade discussion and the cutting out of our social programs is very high on the agenda. In fact it is too high on the agenda for my liking. We are already beginning to see the effects of this. One of my concerns is that a lot of my colleagues say that we are not in government and we do not necessarily have the responsibility to come up with the answers. It is my view that the job of the Official Opposition is to criticize and oppose, but I have told my constituents that there are other ways to go about doing business and I am going to suggest some of them here today.

• (1120)

I understand the need for the machinery of government to operate and the need to fuel the economy with big corporations and big business. I am not against big business, I am all for it. However, certain ameliorations, adjustments and improvements should have been considered when this Budget was being put together. I am concerned that the corporations' share of the tax burden

has fallen tremendously in the last 15 or 20 years despite the various tax reforms which I believe were intended to increase corporations' share of the tax burden.

In 1965 personal income taxes made up 30 per cent of Canada's revenue and corporate taxes made up 20 per cent. In 1988 the situation had changed dramatically. Canadians now pay 44 per cent in personal taxes and corporations pay 11 per cent. It is quite a change from 30 and 20 to 44 and 11 and I wonder where it is heading.

There is another aspect of this subject. Last year big business received a total of $8.9 billion in grants and subsidies from the Government. That is hard to believe. According to a Library of Parliament study, which I think is a pretty reputable source, federal subsidies and assistance payments to big business have grown faster in the past 20 years than social program spending. These subsidies and assistance programs increased from less than 1 per cent of the Gross National Product in 1970 to a peak of 2.5 per cent in the mid-1980s. That is an increase of 1.5 per cent of the Gross National Product in 15 years.

There is another aspect of the $8.9 billion that is being paid to big business. The Canadian Federation of Independent Business which represents 80,000 small firms across Canada said recently that a comprehensive deficit reduction program should include, not a small reduction or a big reduction, but the elimination of the grants and pay-outs to big business.

Their report claims that the economic activity which is the direct result of government grants often falls short in the long run. They go on to say that when a big business, or small business for that matter, is the recipient of these hand-outs the result, in fact, is a degradation of the market-place and it provides a competitive disadvantage for those companies which do not receive a hand-out. The Canadian Federation of Independent Business is a reputable organization and is not partisan as far as I know. I would, therefore, take note of that. I know that a lot of people in my riding have read these kinds of things and are asking me why we do not do something with the $8.9 billion that is being paid to big business which does not seem to be doing what it was meant to do.

The other aspect which concerns a lot of people in my riding, and I am sure all Canadians, is the uncertainty of what will happen with income tax reform. Looming over our heads is a sales tax. We think we know that it is going to be a certain percentage, we believe it is going to be roughly revenue neutral, but the details of the goods and sales tax which is going to be upon us in 1991 are anything but clear.

Recently the Minister of Finance confirmed that we would begin paying a 9 per cent sales tax on almost everything except main food, rent, health care and education. I do not have to remind anyone in Bonavista—Trinity—Conception who is listening to me that this is 9 per cent on top of the existing 12 per cent. This is a 21 per cent tax on anything you buy or any service you have performed.

I remember when Newfoundland joined Confederation in 1949 and a 7 per cent sales tax was imposed. I remember how tremendous and horrific that was and we are now looking at a 25 per cent sales tax. What is that going to do to the people who have enough difficulty buying clothes to put on their children's back as it is?

This tax started out to be revenue neutral, which is an interesting catch phrase. I do not hear nearly as much talk about revenue neutrality now. What does revenue neutral mean? I do not know. I cannot find any description and I have not heard it defined by the Hon. Minister of Finance. In fact his definition seems to be getting a little more flexible as time goes by. I read media reports saying that the tax grab has already started.

The idea was to remove the manufacturers' sales tax which was, I think, 12 per cent before this Budget and is now taking in roughly $13 billion. However, the manufacturers' sales tax has already gone up to 13.5 per cent and is going to take in another couple of billion dollars. Where does this revenue neutrality start?

We are talking about 9 per cent. I can tell you, Mr. Speaker, that anyone who knows anything about value-added taxes looks at the countries which have involved themselves in this very interesting experiment. They have come up with some very interesting findings. I was given a list of some of the European countries involved. I

do not want anyone to look at the record and say that I was misrepresenting the idea, but I would have to say that the value-added tax of which I speak is not the same exactly, but the principle is the same, the intent is the same, and the graduation is the same.

In Denmark the year of introduction was 1967. It started off at 10 per cent. In 1988 it was 22 per cent. It has gone from 10 per cent to 22 per cent. In France the year of introduction was 1968. It started off at 13.6 per cent and is now 18.6 per cent. France has not done too badly. Remember, we are starting off at 9 per cent in 1991. Germany started off in 1968 at 10 per cent and is now at 14 per cent.

In the interest of brevity I will quote only a few more. Britain started in 1973. Do you remember the fuss when they started with the value-added tax over there? It is now up to 15 per cent. Sweden started in 1969 at 11.1 per cent, less than ours, and are up to 23.5 per cent. The list goes on.

The point I am making is that the principle has been established and all we are haggling over now is the price. I fear tremendously the revenue neutrality aspect of this. I have fears of where we will be 10 years from now. What will the 9 per cent grow to be? The European experience is that in 15 years it has roughly doubled. What will that do to us? I am concerned about that as I think we should all be.

There is another aspect which has me very worried. I am talking about the general financing of the way we do business in Newfoundland. I do not think it is a surprise to anyone in this House that Newfoundland depends very much on revenue from the transfer payments to the provinces. They amount to 45 cents out of every dollar and very much depends on where you put it and how you look at it.

People on this side of the House have asked what we are worried about because we are getting an increase. Yes, we are getting an increase but we had budgeted for a certain amount and we are getting a lot less. I look, for example, at the transfer payments to the provinces. People on this side of the House ask what I am complaining about because we are going to get more than we got last year.

• (1130)

Yes, we are, but we are not going to get as much as we thought we were going to get. I think in the case of Newfoundland it is the difference from $23 million to $24 million, to $19 million. That is a lot of money when we look at a province which depends on almost 50 per cent of its budget from the federal Government. Over all in Canada to the provinces which depend on regional transfers it is $200 million. That is a lot of money, when it had not been allowed for.

Dealing with ERDAs, the same subject of money from the federal Government to the provinces, my family, my constituents, and my friends have been involved in a lot of the aspects of federal government grants and transfers in the form of the Economic Regional Development Agreements. There is no way in which I can emote, postulate or indicate their importance to Newfoundland.

I am trying to do all I can here. A lot of people, along with me, in the Newfoundland Government and entrepreneurs in Newfoundland are trying to promote tourism. We find that the ERDA, the Economic Regional Development Agreement which was signed lasted for five years in Newfoundland, to the tune of $21 million. Our Minister of Tourism and Development had to return to Newfoundland a couple of weeks ago with the sad news that we are not to get this renewed.

I do not want to sound like somebody from a rural riding of Newfoundland who is always getting up, complaining, and crying that he is not getting enough. I just want our fair share. Tourism in Newfoundland is still in its embryo stages. I think it is going to be big. I hope that I can help it along.

However, when I see these kinds of obstacles standing in front of me and staring me in the face, I have to remind myself that we are behind in tourism development in Newfoundland. Our fair share is perhaps more than what the fair share would have been for any other province.

To begin with, tourism really had not started until about 10 years ago or maybe 15 years ago. It is still in the early stages. We have almost 100 miles, 90-plus miles, separating us from the mainland of Canada. These are two very important considerations which I am sure were eloquently argued by the Minister of Tourism and Development. We still do not have the money. This is one example of our concern about the cut-backs that

have taken place of which Newfoundland is the recipient.

Later I will be speaking on Bill C-21 dealing with unemployment insurance. I do not want to digress into that. In the interest of time, I am sticking to the main point which is the borrowing Bill. In the context of the over-all effect which it will have on my constituents, I could not sit down without bringing to the attention of the House the Job Development Program which is part of the amendments to the Unemployment Insurance Act. Even now, before the Act has been put in place, it has had a tremendous effect on my riding. I think it is safe to say that the organization which was represented by the Canada Employment Centres in Newfoundland—and I know I am speaking for my riding—represents about 20 per cent of the economy. That is a lot of money.

In Job Development Strategy in Canada we find that we are losing $53 million. That is $53 million less, which means millions of dollars to my rural riding. This means that jobs will not get done. This means that people who are unemployed will not get jobs. This means that people who would have their incomes raised higher by higher paying jobs will not have that happen.

I want to thank the Hon. Member for Burlington who gave me a list of some of the job opportunities which were there. I reviewed them in fine detail with my constituency office and with many of my constituents. They were quite impressed that in fact some of the jobs have a bearing on my riding in particular. However, two things came out of most of them that would be available in Newfoundland.First, a lot of the jobs were available in Labrador. Of course, people in my riding are not particularly interested in going to Labrador. Second, a lot of jobs in general for Newfoundland are centred in the urban areas, St. John's, Corner Brook, and Grand Falls. While I again thank the Hon. Member for the opportunity to have a look at that and make use of it, which we are doing, unfortunately most of these jobs relating to Job Development Strategy are in urban areas. It is not going to be very helpful to us at all.

Turning to the business of unemployment insurance not changing very much in the sense of not losing jobs, I do not have to say that the unemployment rate in Newfoundland is extremely high. It is around 15 per cent right now. For the rural areas, it is over 20 per cent. I think the last time I looked at the average, it was 23 per cent, 24 per cent, 25 per cent.

As I wrap up my remarks on this Bill I would like to go on record to say that I am deeply concerned. I represent the deep concern and almost alarm of my riding on the effect that some of these things, which may be well intended, will have on rural Canada and rural Newfoundland.

What are we going to do about it? What could we have done? I think we could have looked at big business. We could have looked at corporations with a minimum tax. A lot of corporations do not pay taxes. We could have had an adjustment period for these changes which are taking place in unemployment insurance. I think that would have improved the situation somewhat. We could have given people more warning.

As far as the goods and services sales tax is concerned, the impact has not really hit people yet. I think we need to have a good look at it. Is it the way to go, or are there other ways?

I did not have an opportunity to speak on the tremendous effect Canadian-wise that the more than fair cuts out of defence are having on my previous colleagues in National Defence. That will be a subject of some separate comments. I would like to thank you, Mr. Speaker, for your generosity in allowing me to finish the threads of my thoughts.

The Acting Speaker (Mr. Paproski): On questions or comments, the Hon. Member for Kingston and the Islands.

Mr. Milliken: Mr. Speaker, I commend my colleague on his excellent speech. During the provincial election campaign in Newfoundland, he attended in that province and watched the thrashing administered to the Conservative Government during the election campaign. I suspect that that was in part because the Government had tied itself too closely to the hon. gentlemen who sit on the other side of this House. Had we another election in Canada today, I expect the same thing would happen to them.

The point of my question is to deal with the ERDA funding which I understand is now up in the air in Newfoundland. That is part of the budget proposals that have been under discussion in this House and that are

the subject of the borrowing which is being done in this Bill.

It is my understanding that during the election campaign in Newfoundland, the Premier of Newfoundland claimed that an agreement had been reached with the federal Government for a continuation of the ERDA arrangements. Subsequently, it was discovered after the election that in fact no agreement had been signed. The federal Government, composed of the Hon. Members who sit on the other side of this House, did nothing to deny the statements of the Premier of Newfoundland during the election.

I wonder if my hon. friend could enlighten the House on this subject and tell us whether in fact something was done to deceive the people of Newfoundland in the course of that election concerning those grants. Perhaps he would be able to explain the position.

Mr. Mifflin: Mr. Speaker, I thank the Hon. Member for Kingston and the Islands for that question. Yes, indeed, this was the subject of some great concern while I was over in Newfoundland during the election campaign.

I left Ottawa with the impression that certain ERDA arrangements had not been negotiated or renegotiated as the case may be. I was kind of nonplussed when I arrived in the province because I was told: "No, no, you do not have any worries about that". In fact I was campaigning up in Bonavista North with the now Speaker of the House, the Honourable Tom Lush who represents Bonavista North. I was told: "No, no, don't use that in your campaign because the Premier has already announced that over $80 million had been approved". There was a Labrador agreement. I do not know the exact name of it, but it had to do with Labrador development. The other one was rural and northern development for Newfoundland.

In my riding I have 10 rural development associations. They are in many ways the focal point of activity which gets things going. I was campaigning and talking to the chairman of these committees. They must have thought it strange that I did not bring to bear the fact that these ERDA arrangements to which I spoke earlier this morning had not in fact been negotiated.

• (1140)

Whether it was a mistake or whatever the case may be, when the then Premier of a province, even of another Party, makes a statement that something has been done I accept those things. The people of Newfoundland accepted it. Certainly the people of the rural associations accepted it. They were launching into programs to get things under way again. As we got a little more deeply into the campaign, in discussion with some of the bureaucrats, I was told: "No, no, these have not yet been approved". I find to my disgust and total consternation that when we get into details of the Budget in fact they have not been approved at all.

The Government served notice that it intended to renegotiate these five-year agreements but that has not been done. I spoke of the tourist agreements which cover aquaculture and fishing. I have four or five projects that are waiting now. They have been held up and probably will not go ahead because there is no money. The pot is empty. It has been drained right out.

As far as mining is concerned, I have a man who has a project that can involve 40 people now and when developed can involve 200 people in a part of my riding where unemployment is up to 30 per cent. I have spent a lot of time trying to help him with it. Regional development agreements are not being approved. We have a combination of the new rules for the reprofiling of ACOA, which mean essentially that one cannot get any money if the project is over $200,000. This man is a pretty brave and strong individual. He has not given up, but had he been someone of lesser courage he would have said: "The game is not stacked in my favour this time around". This man is not happy because of regional development agreements and the changes in the rules of ACOA.

I think reprofiling must mean the same as revenue neutral. We have description, definition, and understanding. I wish we could find better words to convey a better understanding of it. My energies will be focused into trying to get these well intentioned agreements into play. Everyone in the business knew exactly what they meant to my riding, to Newfoundland, and to Atlantic Canada. We have the Atlantic Canada Opportunities Agency. Those opportunities have now become pipe dreams and lost hopes. People have had projects in for as

much as $3 million, $2 million, $1 million, to help the tourism industry, but now they cannot be done.

I had to give an answer to my hon. friend, perhaps a rather longer one than he had expected. We were very disappointed that we were told yes, then no, and now maybe. I am not sure where we will go from here so you can understand the indecision and lack of direction right now, Mr. Speaker. It adds to the confusion, consternation, and very uncomfortable feeling that people have from where I come. It is going to be pretty tough on the East Coast of Newfoundland this winter.

Mr. Althouse: Mr. Speaker, it was interesting to hear the Hon. Member in his initial remarks be quite condemnatory of the $8.9 billion he has identified as money going to the large corporate sector from government funds. I concur with him that this does not seem to be something which is necessary.

Some analysts have great difficulty separating out assistance to corporations by size. Could the Hon. Member clarify what he means by pulling away that funding in relation to the criticism that he also had of the Government's attempt to pull away funding from business through ACOA, EPF funding, and the other funding projects about which he has just spoken? Could he tell us what the distinction should be from his Party's point of view and how pulling away the $8.9 billion funding to the very large multinational corporations would assist outlying regions such as Newfoundland or, in my case, Saskatchewan?

Mr. Mifflin: Mr. Speaker, I differentiate very much between the two. First, turning to the $8.9 billion, I can tell the Hon. Member that we do not have many corporations in my riding that would get a piece of that $8.9 billion. His point is certainly not lost of me. The money from ACOA which is being reprofiled had the potential of going to people like the gentleman who wanted to start a mine and create 200 jobs. A constituent of mine has been trying for three years to get a small resort hotel in Conception Bay North where we were going to have a lot of extra economic activity from the prison that was going to be built in Harbour Grace. That is gone now and so is the ACOA possibility. There is a big difference.

I would be more inclined to tap that $8.9 billion as part of deficit reduction program than I would to reprofile the ACOA and make it more difficult for people to get anything over $200,000 to help to get the economy in my riding, and I suspect in his riding, off the ground a little bit faster. I thank the Hon. Member for his question.

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, I am pleased to speak today on the borrowing Bill. As my Party's spokesperson for international development, I want to take the opportunity to make some comments on the over-all Budget of this Government.

This Budget is a deceptive Budget. The Government is saying one thing and is doing another. For example, the Government has supported the Brundtland commission report for international development and environmental assistance. That report states very clearly how interlinked we are, that we have to think in global terms. We can no longer just think nationally; we must think internationally.

It was with a great deal of hope that we heard this Government was to support those recommendations. This Budget demonstrates that the Government's understanding of those recommendations are very limited because the hardest area hit in this Budget was international development assistance. Almost one-quarter of all the spending cuts made by the federal Government were taken in the Budget for foreign aid. Although Overseas Development Assistance represented only 2.8 per Cent of federal spending in the years 1988–1989, it accounted for 23.3 per cent of the cut-backs for the years 1989–1990.

The dollar figures we are talking about in these budget cuts is $360 million. Many people wonder about cutting and know it has to be cut somewhere. Members on this side of the House have been concerned with the cuts to our social programs. I do not see these cuts as distinct from one another. When we are talking about cuts of that magnitude the Government has an agenda and that is what I want to talk about today.

Domestic cuts and cuts to international development assistance are a fundamental shift in philosophy, a shift to the right to a more free market thinking that fits in with the whole free trade agenda. I know government Members do not like it when we raise this point. They

get glazed eyes when we talk about it. However, when we see that this is happening we have to speak out.

• (1150)

The free market agenda is a turning inwards. We are saying: "We are all right. We do not need to worry about those people over there. Somebody else will worry about it". We have to get away from that kind of thinking if our world is to survive. The Government, by saying that it wants to cut the deficit, is falling into that trap of short-term thinking.

We must open our minds and see where the real solutions are to the global problems that confront us as legislators. We need to do more than just speak up in the House. We have to be prepared to change our views and ideas. The situation in our world demands it.

The Government's Budget is in fact a self-imposed structural adjustment. The structural adjustment that has been imposed on developing countries by the International Monetary Fund is one the Government has decided to make on its own through this Budget. It has cut regional development programs and social programs. It is slowly and surely eliminating unemployment insurance benefits. It is privatizing and buying into the market system which the International Monetary Fund is thrusting upon the world, in the vain hope that it will prop up the international banking system.

It is the banking system that has caused much of the grief in this world. With this Budget the Government is not only protecting those banks but is buying into that whole value system of bankers rejecting the people who are the most vulnerable both here in Canada and overseas. They reject those people who do not have a voice, aside from those few of us on this side of the House who have the courage to stand up and say: "No, we know what they are up to. We know their agenda". We are going to talk about it.

We must ask ourselves who is pulling the strings, who will benefit from Canada turning inward. Whoever is pulling the strings is doing it because we will be so worried about our own deficit and our own internal problems that we will be quiet, we will not speak out or criticize when things happen in Central America, Africa, or Indonesia. We will be so focused on our own social strife that we will not criticize those superpowers that are bringing death and destruction overseas.

We know what is going on. We know the agenda and we are not prepared to be quiet about it. We also have to speak out, as has been done very well by many Members on this side of the House, about the social programs that will be affected and the grief and hardship that will bring about here in Canada. These things cannot be distinct. They are all part of the same plan, this monetarist view of the world that has been so destructive.

Canada's wealth and status as one of the G-7 nations and our repeated previous commitments to increase aid contributions indicate the considerable moral responsibility we bear in this suffering world. Canadians have stated their support for international development programs, yet these cuts threaten abandonment of these key commitments, a weakening of our positive role in world affairs, and a loss of moral authority. It is that moral authority, as much as our ability to send money overseas, that is most worrisome.

We have lived on our international reputation, established largely in the 1960s under former Prime Minister Pearson. We have a strong international reputation and we have lived on that capital for a long time. We have not put very much into it. It was with a good deal of hope that last September we heard the Prime Minister say the following before the United Nations:

> Increased development assistance, especially to the poorest countries, is another imperative. Canada has just completed a review of its Official Development Assistance policy. We have reset our bearings to improve the quality and increased the quantity of help we give.

He said that on September 29, 1988. That is why I say that this is a deceptive Budget. Six months later, the Government brought down a Budget which cut $360 million from international development assistance. Once again, the Government was saying one thing and doing another. Did the Government not know that it had a deficit problem six months ago? The problem is that an election campaign intervened. This is why people have lost confidence in politicians. They say one thing and do another. We have to change that because we are running out of time. We do not have the time to be able to say one thing and do another.

In 1984 official development assistance equalled .5 per cent of our Gross National Product. For 1989-90 it has been cut back to .43 per cent. We are going backward in a world that has increasing problems. We have lost our moral authority. The Prime Minister's statement to the United Nations, although it did not appear bland at the time, has turned out to be bland because he is not putting any money behind his statement. We thought

that he had some understanding of the recommendations of the Brundtland commission about the view that the world is interdependent and that we in the developed world have some responsibility to address the ills overseas.

There is a self-imposed structural adjustment program in Canada. There are reductions in regional payments. In British Columbia there are reductions in health care payments and the nurses are currently on strike. There have been reductions in post-secondary education. We are now very concerned about possible cuts in the forestry agreements. It all fits into the mode of linear thinking. Lord preserve us from linear thinkers, and there are more than an abundance of them across the way.

We have to understand that foreign aid is not a frill. It is our contribution to a more stable world. We will not buy into the mindset that says that bigger and better armaments will make us more secure. Thinking people have rejected that mindset long ago. If we want a more stable world, we have to be able to reduce the causes of instability. That means we have to eliminate poverty.

A nice glossy document about Canadian international development assistance says that the first priority is the elimination of poverty. Then the Minister responsible has said that we also have to take our share of the cuts. One quarter of the budget cuts is much more than our share of the cuts. The Minister being an apologist for the Budget is something I find most offensive.

• (1200)

We have to understand that Canada has not only a financial obligation, but a moral one. We have to use our credibility. One wonders why we have so much credibility because of the actions that we often take, but we do have it and we should use that international credibility to effect change, to speak courageously at a world forum such as the United Nations, and to follow up those words with actions. That means not having cuts in the Budget for international development assistance.

We do not understand why Canada's collective obligations to assist those confronted with economic and social disaster should be so extensively abandoned at this time. We do not believe that Canada's own prosperity can be guaranteed in a fortress North America. We believe that our future is secure only if it is linked with development in which the world's majorities participate. This is a philosophy that Canada has had since the 1960s.

We are a small country in the grand scheme of things, but we have enormous international credibility which is withering away with this Budget and with the actions of the Government. It is fitting in with the grand schemes of the superpowers and the confrontation and polarization that we must resist if the world is going to survive. We have to think about stability and not creating more wars, and the poverty that creates wars, and we also have an obligation to attempt to bring prosperity to other people in the world.

We hear many comments about the refugee flood at our gates, and many people saying: "No, we do not want them. They are going to be taking away our jobs". Those refugees do not want to come. They want to stay in their own countries. It is our obligation to assist them to do that by supporting the development work in their own countries. That is what I am saying about linear thinkers, the turning away, the "we will look after ourselves", clutching ourselves and saying that the rest of the world be damned.

This is what we have to reject. In our Party we do reject this. We have a global vision. We are not only talking in response to government polls that Mr. and Mrs. Middle Canadian states such and such and therefore we will do what they say. We have a long-term vision. We want to change and better this world. This Government's Budget is restricting us from doing that.

Not only is this Budget hammering the poor in Canada by reducing the social programs and by eliminating the universality of our long fought for social programs, but it is also hurting the poor overseas, those most vulnerable,

those without a voice. How absolutely immoral and heartless of the Government to cut bilateral food aid. Then it states that CIDA has to take its fair share of the cuts. We are not talking about a fair share here. We are talking about people's lives.

There is a connection between the people who are most affected here and the people overseas. We also have to ask who is benefiting. It is not ordinary people here, and it is not ordinary people overseas. It is the big people in their board rooms who are running things and pulling the strings. We are going to continue to speak out against this in the weeks and months ahead.

The Acting Speaker (Mr. Paproski): On questions or comments the Hon. Minister of State for Privatization.

Mr. McDermid: I know the interest of the Hon. Member in foreign aid, and she spoke most eloquently about that today. However, I would like to point out, and I am sure the Hon. Member would want to be fair when she discusses those particular matters, that Canada is the second most generous nation of the G-7 countries. Canada is exceeded only by France and by a very small percentage point. As a percentage of the GNP, Canada stands second. Third is Germany, fourth is Italy, fifth is Japan, sixth is the United Kingdom, and seventh is the United States. Our record for aid overseas has been very good. It is never enough. We would always like to do more, however, it has been very good.

Over the next five years more than $16 billion will be given in foreign aid. That is hardly an indication, as the Hon. Member attempted to make out today, that CIDA will be crippled in its ability to do its job. Our commitment will continue. The Hon. Member will be interested to know that with the Budget cuts that Canada is experiencing at the present time, the ODA-GNP ratio will drop from .47 to .43. That is a fairly small drop, but one that was necessary due to the fiscal situation in this country.

Without exception, members of the Opposition have criticized every single cut that the Government has made in the Budget.

Mr. Milliken: That is not true. That is false.

Mr. McDermid: With the exception of nuclear submarines. I was coming to that, if Members opposite would give me a chance to finish my sentence.

We have deficit problems and debt problems in this country. For once, I would like to see someone in the Opposition stand up and talk responsibly about where the Government should be cutting back, where we can save money, where we can get the deficit and the debt under control. All they do is stand up, speaker after speaker, and criticize the Government for trying to get its fiscal house in order. Would the Hon. Member rise and give me a list of where she would cut back on the expenditures of the Government?

The Acting Speaker (Mr. Paproski): I know it is a full moon today, but it is only the noon hour.

The Hon. Member for Saanich—Gulf Islands.

Ms. Hunter: I thank the Hon. Member opposite for his question. I will speak slowly, because we have to get an understanding of what we are talking about here which is a shift in thinking. I am asking the Government to realize that by not cutting foreign aid, by increasing foreign aid, as the Government had committed itself to do, we are investing in our world. Speaking in those terms, perhaps the Hon. Member will understand.

The Hon. Member asked me where I would cut expenditures. He also asked from where the Government would be getting the money. We have made some very concrete suggestions about where that money could come. What we are talking about is economic growth. None of us is opposed to economic growth. We all want economic growth in order that we can contribute more to our society. The Hon. Member knows what is coming, doesn't he? We are talking about 60,000 profitable corporations which paid no income tax at all.

Mr. McDermid: Members opposite stated that it was 87,000 the other day. When are you guys going to get your act together?

Ms. Hunter: I am making a responsible statement as the Minister requested I do. I am downgrading the numbers so that he will not accuse me of inflating the terms at all. I will say 60,000. The Minister can say 87,000, if he wishes. I will be the conservative for a moment.

We are not only talking about cutting. We also want to know who is paying. It is the ordinary people who are always paying. I challenge the Government to start taxing those who can afford it rather than those who cannot.

• (1210)

Ms. Langan: Mr. Speaker, the Government talks about the family and its commitment to the family as well as the need to speak for children who cannot speak for themselves. Yet the Government has cut its support to families all over the world. I wonder if the Hon. Member would like to comment further on that subject.

Ms. Hunter: Mr. Speaker, I thank my esteemed colleague for her question. What is most heartless about the Budget is when we think about who is pulling the strings, where they are sitting in their boardrooms and the effect these cuts will have on the children of the world. We are talking about international development food aid. We are cutting food aid. It is ridiculous. They are sitting in their boardrooms which probably look much like this lovely Chamber with lots of oak and velvet while the children of the world starve. It is disgusting. It disgusts me that these people with that kind of power use it so horribly.

Mr. Riis: Mr. Speaker, I appreciate the opportunity to participate in this debate. My question to the Hon. Member who spoke so eloquently in terms of government cut-backs in critical areas is this. Does she feel that one of the areas the Government might consider cutting back in is the area involving millions of dollars of expenditure on government propaganda and advertising?

We read the other week that the Government will have to hire up to 25,000 tax collectors to collect the new national sales tax. I wonder if there is a need to proceed with that. Can you imagine, Mr. Speaker, the expense involved with the tax collectors themselves—25,000—in a bureaucracy and the red tape associated with it? Could the Hon. Member comment on the areas in which the Government could cut back in immediately. I refer to the coins rolling out on the television screens during the hockey play-offs day after day. The Government spent millions of dollars to tell people: "Listen, raising your taxes and cutting back your services is a good idea".

I have heard the big lie technique which has been used in the past by unscrupulous types. I am not suggesting that this is a Goebbel's like approach to communication. When I hear about the millions of dollars being spent on what I think the Minister of Finance calls government information it is similar to what we are seeing in China today. On television screens there the people see government information which says that there were no student killings, there was no extreme violence and that the Government was just taking care of a few trouble-makers.

Could the Hon. Member explain whether this is an area that she has been thinking about in terms of where we could save the taxpayers a lot of money and also be a little bit more honest with what we are doing by suggesting that the multimillion dollar government propaganda office curtail some of its expenditures?

Ms. Hunter: Mr. Speaker, my honoured colleague brings up a point that is worthy of underlining in *Hansard*. He talks about the public relations scam that is going on in the country and internationally. We have to be very aware of the type of marketing tools that are available to the Government which will allow it to manipulate public opinion. I think it is to be deplored especially when we think that the Government could be putting its money where it would make a real difference to people's lives. The Government could certainly do some educational work on sustainable development and try to get a sort of Participaction view to have Canadians involved. However, no, the Government talks about the short term. It says: "We will have to tighten our belts. We are not going to take any money from the rich people. We will only take it from you". This is the sort of manipulation of the population that I think is most worrisome.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, I have a few words to say on this particular Bill, the borrowing authority asked of this House of Commons by the Government of Canada.

The Government is really obsessed by the balance sheet, not so much with the natural saving of money but to give the impression that the Government is making everything profitable and that the philosophy on which it was elected is a good thing.

The other day it was interesting to see Canada Post present its annual report.

Mr. Blenkarn: A great thing.

Mr. Baker: The hon. gentleman who went to New Zealand to investigate the new sales tax indicates that he is proud of that report. When one looks at the financial statement of Canada Post one notices two things. First, one sees Canada Post saying that it made a $90 million profit. Then, when one examines the balance sheet one discovers that the federal Government all wed Canada Post not to account for some $34 million in payments to employees who are losing their jobs but allow that figure to appear on the balance sheet over the next 15 years. That is $34 million. It was not enough to bring Canada Post's financial situation into a profit standing. So what did the Government of Canada do? What did the

Cabinet do? They loaned Canada Post $80 million this past year and then they held a press conference to say: "Look at what we have done for Canada Post. They are in a profit situation". It is a new reverse colorization process I would say, like the process that changes black and white films into colour. This action by the Government is reverse colorization. It changes from red to black.

Some people launder money. Canada Post has Landerized it. Donald Lander in proposing this financial statement to the House of Commons has displayed the effects of Landerization.

The other reason why I decided to participate in this debate is because there is a demonstration on Parliament Hill today. People have come a long way. They have come all the way from Prince Edward Island in buses to demonstrate on the Hill about the closure of an armed forces base in Prince Edward Island. It is the only armed forces base there. It is the most important base in eastern Canada because it is the home of the search and rescue squadron. It is strategically located right in the middle of Atlantic Canada. For the last two or three years we have been asking the Government to base the interceptor squadron there because we have noticed over the last two or three years that all of the interceptions that take place off the East Coast of Canada today are done by the Americans. Oh, yes, the F-14s, from the State of Maine do the interceptions off the Canadian coast of the Russian aircraft which frequently test our defence system. We were saying that that is where the interceptors should be based. Then along comes the Conservative Government after having promised during the election campaign everything that Prince Edward Island wanted. It was even going to build a bridge, a causeway to Prince Edward Island, or a tunnel, or anything. It would spend loads of money. Yet after the election campaign what did the Government do?

The only presence by the Department of National Defence in the entire Province of P.E.I. was its base a Summerside, a major employer in P.E.I. It is the home base of search and rescue. The Government has closed the entire base.

• (1220)

During the election campaign and just prior to it we saw the Government spend money like it was growing on trees. The Atlantic Canada Opportunities Agency, which should be renamed the Atlantic Canada Overblown Agency, spent half is entire five-year budget in six months. There was no problem with money for the Government at that time. ACOA was designed to give grants to small business. It replaced DREE, which had become a dream, and DRIE which had dried up.

ACOA had no problem getting money for small business at that time. The Irving group of companies received lots of business under the small business provisions, as did the Wandlyn hotel chain.

When I read the list of grants recently, I noticed that one outfit received money to investigate the establishment of breweries throughout Atlantic Canada. Is the solution that we all get drunk and forget our problems by establishing breweries in Atlantic Canada? There was no problem with money six months prior to the federal election campaign.

Now the money has dried up. The Government has changed ACOA completely so that money is no longer available in Atlantic Canada.

After it was elected, the Government announced its intention to introduce its new sales tax to raise more money so that it will not need as much borrowing authority in the forms of Bills before the House. The Government has tailored its tax on the system that is in effect in New Zealand, a country which, if dropped in the middle of one our bigger provinces, would require search and rescue in order to find it. Our situations are not at all the same.

What are its effects on Atlantic Canada? The people of Prince Edward Island presently pay 10 per cent sales tax to which will be added another 9 per cent. However, it is not as simple as becoming a 19 per cent tax because the 9 per cent federal tax is applied to each item and the 10 per cent sales tax is applied on top of that.

For example, in its Budget the Government increased the cost of long distance telephone calls. The federal tax is added to the long distance telephone charges so that if there is a $100 telephone charge a 9 per cent tax makes it $109.

An Hon. Member: Very good.

Mr. Baker: I hope the hon. gentleman is listening because he sure did not understand it when he voted for the Bill.

The sales tax is 10 per cent in Prince Edward Island, 10 per cent in Nova Scotia, 11 per cent in New Brunswick, and 12 per cent in Newfoundland. Those who live in Prince Edward Island and Nova Scotia will have their 10 per cent sales tax added to that $109, while it is 11 per cent in New Brunswick and 12 per cent in Newfoundland. The result is over 20 per cent in sales tax at the retail level for people in Atlantic Canada because of the new sales tax being introduced by the Government.

This is further complicated by the fact the Government, in using the New Zealand example, did not take into account the geography of our country. Goods that are made in one part of Canada and shipped to another part are taxed at various stages so that those at the far end of the country pay more federal tax than those living next to the manufacturing industry. Not only do Atlantic Canadians pay a higher percentage in tax at the retail level, they pay a greater percentage of the amount of federal taxes that are collected per capita. That is not good enough.

The federal Government has also stated that it will cut back portions of VIA Rail. Again, it is affecting Atlantic Canada. The Government should come out with the truth on the matter. It is not just eliminating portions of the rail line that it claims are not profitable.

When Mr. Lawless appeared before the committee last week, it was rather sneaky for VIA not to admit that it had just given lay-off notices to the red caps who work at the train station here in Ottawa. They are the people who handle baggage and so on. Those lay-off notices were being issued as Mr. Lawless was getting off the train to come to the Standing Committee. Perhaps it was coincidental, but the message is that VIA Rail and the Government of Canada are no longer interested in travellers who carry baggage. It is only interested in businessmen who travel short distances for an hour or two and to heck with everybody else. By removing the red caps, the Government is removing a service from a mother travelling with her children, from senior citizens and from disabled. The Government has absolutely no interest in the people who take the train because they cannot afford to fly, or find it more convenient to take the train. It may even be the only way for them to travel.

The Government is more interested in international relations with France, the Soviet Union, Poland, East Germany, Cuba, Japan, Sweden, Norway and the Faro Islands.

Those countries are being issued licences this month to fish within our 200-mile zone while Canadian fish plants are closing. The Government of Canada is more interested in making sure that the Government of the Soviet Union is allocated over 100 factory freezer trawler licences.

• (1230)

Some say that countries which come to Canada and are issued licences by this Government do not bring their fish back to their countries. Is that a fallacy? Every Communist Government today that fishes off the east and west coasts of Canada sells its product to the United States. I defy anybody to show me one factory freezer trawler load that was brought to its own country and distributed to its own people.

The other day I watched a factory freezer trawler from Poland. It caught grey sole and turbot and, lo and behold, it ended up on the Boston market. How did it end up on the Boston market? It is interesting because some of it was direct, but the rest of it was through established Canadian companies that sell into the market.

While we have fish plants that are currently closing in Canada and people being laid off, in December of this year we will have the biggest lay-off in Canadian fishing history. The Government of Canada is about to announce the biggest quota cut for next year that we have ever seen.

There is a group that is not affected, that is, the 260 factory freezer trawlers from foreign countries that fish around our shore. That group of people did not take a cut. They took an increase. Why did they take an increase?

There are various reasons. Of course, we gave it to them. One was a boundary dispute with St. Pierre and Michelon, with the Government of France. We turned around and said: "If you come to the bargaining table, for four years we are going to give you extra quotas. You can go down into southwest Nova Scotia and everywhere they are closing fish plants and you can fish codfish. You can go up to Cape Breton Island and fish codfish. You can go to Prince Edward Island and fish codfish. You can go off the coast of Quebec in the Gulf of St. Lawrence and fish codfish". While our companies are closing, while people are being laid off, the Government of Canada says that international relations with foreign countries are more important than the jobs in our own country.

That is the philosophy of the Government of Canada. It is absolutely obsessed with this business of deficit reduction, to the extent that it is overshadowing everything else. One Department does not know what other Departments are doing.

The other day the Department of National Revenue sent a notice to a federal Crown corporation, CN Marine, and said: "Look, if you use the *Bluenose*", which is a very famous vessel, "any more this year, we are going to have to impound it because you owe us under our new policy a quarter of a million dollars in Customs duties". That is how far it has gone.

The Government of Canada has passed new rules and regulations for ships that come into Canadian ports. This will mean, by the way, that the tourist trade via large ships into the west and east coasts of Canada will virtually come to an end. The Government did not consult with all relevant Departments about what ships would in fact be passing from this country to another country and would violate those rules and regulations it brought in.

When we add it all up, in this borrowing authority for which the Government is asking today in the House of Commons it is unfortunate that the Government of Canada is currently inflicting real misery upon eastern Canada and the people who live there. There are people who live in Prince Edward Island today and other communities across this country who are losing their jobs because the Government say that those jobs must be lost for the sake of its policy. There is one thing for certain: while these people may lose their jobs, there is another group of people who are going to lose their jobs as well. In the next election, this crowd is going to be booted out.

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

Mr. McCreath: Mr. Speaker, I listened with great interest as I always do when my hon. friend opposite rises to speak. I am not sure exactly how foreign fishing on the Atlantic coast relates directly to this Bill. Inasmuch as my hon. colleague opposite has raised the issue, it might be appropriate to rectify some of the information he imparted in his enthusiasm which may exceed slightly the realities of the situation, certainly as seen by those who are very close to the fishing industry in Atlantic Canada.

I was amazed to hear him talk about foreign vessels being licensed to fish codfish within our shores. I believe he knows perfectly well that foreign vessels are licensed to fish within our 200-mile zone those species which Canadians are not interested in harvesting and for which there is a by-catch.

The statistics are readily available. I would be glad to provide them to him if he does not have them. The Russian vessels fishing inside our 200-mile zone are allowed a by-catch of 1 per cent as against all the remaining fish caught. Indeed, the statistics for 1988 show that in fact the by-catch taken was less than half of 1 per cent. Perhaps this is his understanding of entitling foreigners to fish within our shores.

He should also be aware that under the agreements of the international law of the sea Canada is required to make available those species not harvested by Canadians.

Second, he speaks of the nose and tail and foreign fishing outside the 200-mile limit. Could he explain to the House what measures can be taken by the Government of Canada to impose its will in international waters where we have no jurisdiction?

The Government has taken action by meeting with the European Community and getting it to agree to sit down in a committee which met last week to come to a peaceful resolution of the problem that exists. That is significant progress.

Mr. Gauthier: How about a question?

Mr. McCreath: Third, he mentions the Canada–France agreement. That is not a new situation. That is a situation about which his Government did nothing for many years.

Some Hon. Members: Question.

Mr. McCreath: This Government brought the French to the table. This Government got the French to sit down and agree to a resolution of the problem and to recognize the amount of fish they are harvesting. He knows perfectly well that it will be 60 per cent of the amount of fish that they have been catching for years, particularly during the time when his Government was in power.

Mr. Baker: Mr. Speaker, the hon. gentleman is vociferously energetic about this subject because a fish plant in his riding just closed because of a lack of fish. The situation is very desperate in his part of Nova Scotia.

He raised three points. First, he said that codfish were not caught in any great numbers. I believe he said that 1 per cent were caught by the Russians. If he checked, he would find that the Russians are given a quota on his coast in what we call the silver hake box, about 80 miles due east of Halifax. They are given a quota of 58,000 tonnes of silver hake, which is like a large herring. It is good to eat. The Americans caught 20,000 tonnes of it last year and sold it fresh into the U.S. market.

Mr. McCreath: It is not codfish.

Mr. Baker: It was 58,000 tonnes of silver hake. He is wrong in his percentage. His 1 per cent is correct. The 1 per cent is for haddock. There is 5 per cent for pollack and there is 5 per cent for cod. By any mathematics, if we took 5 per cent of 58,000, we would come up with about 3,000 tonnes. That is for cod. Five per cent of 58,000 tonnes of pollack is another 3,000 metric tons. Then we multiply that by millions of pounds of fish and we see that any seasonal plant on the East Coast of Canada could exist with that amount of cod and pollack. That is written in the licence for the Soviet Union, and that is only one country.

• (1240)

What about Cuba? Cuba has nine factory freezer trawlers in the silver hake box 80 to 90 miles east of Halifax today. They are fishing the same percentages, that is, legally fishing.

There is a law for the foreign vessels in Canada now which says that they do not have to throw away what they catch in excess of what they are allowed to catch. Nova Scotians, Newfoundlanders, New Brunswickers, Prince Edward Islanders, and Quebecers are being dragged into court continually because they have not thrown overboard a fish that they were not licensed to catch. In the Act it says that it is "incidental" catch. While we are being dragged into court, the foreign boats out there have it in their licences that they can keep in excess of what they catch. No only that, France is licensed specifically to catch cod off the coast of Nova Scotia.

I am not talking about the incidental catches. How incidental can you get, Mr. Speaker? The Russians have 3,000 metric tons of cod. How much do the Japanese have? How much do the Cubans have? How much do the East Germans have? How much do the Faro Islanders have? How much do the Poles have? The Poles catch grey sole. Mr. Speaker, when you go into a restaurant and order sole, it is grey sole. Poland owns its own vessels. The Polish people come over and are given an allocation of that off the East Coast of Canada.

The hon. gentleman then went on to say that we must give by international agreement fish in excess of Canada's needs. Here is where we have a problem. There is no fish in excess of Canada's needs today. There is not one. They call them "underutilized species". The only underutilized species on the East Coast of Canada are fish plant workers and fishermen. They are becoming an endangered species under the Government.

Mr. Taylor: Mr. Speaker, I have just a brief question for the Hon. Member from Gander who speaks so eloquently about a number of issues.

He started his remarks today with reference to Canada Post and the so-called $96 million profit announced by Canada Post late last week. The Hon. Member talked about the misrepresentation of that profit. We are also

hearing this week about misrepresentation of individual community leaders' views on the matter of small rural post offices and the support for Canada Post's new system.

Can the Hon. Member from Gander tell us a little bit about what he is hearing from the real people about the smaller post offices in his constituency?

Mr. Baker: Mr. Speaker, the only thing I am hearing about the smaller post offices in Newfoundland is that they are closing. The only thing we are hearing from the smaller rural post offices in Canada today is that they are closing. They will be replaced by a box in the snow. Imagine getting up on mail day and having to go out and dig your way down to your mail. That is real service, isn't it, Mr. Speaker? That is real service!

Not only that, but a great many communities are even losing that and people will have to go to the next community to receive their mail. Even in the larger communities up here in Ontario that is happening. Now one usually goes into a pharmacy or drug store to pick up one's mail. I can imagine going to the counter to get your mail and the clerk saying: "Just a minute now. I have to serve that fellow over there who wants some toothpaste and other items". That is the level to which service has deteriorated in Canada today. We need a change all right. To restore delivery in Canada we need a change of government.

Some Hon. Members: Hear, hear!

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I am rising today to debate the proposed borrowing authority which the Government has put before the House. As the House will know, this comes about because the Government projects a fairly large deficit again, in the area of $30 billion again this year.

The Government has proposed that before the House rises at the end of June it wants to have the authority to borrow up to $24.8 billion in the very predictable event that tax revenue does not come in fast enough to offset the expenditures the Government has committed to make. The Government wants to borrow $24.8 billion with this Bill before us today. This is a very straightforward Bill which includes that and one other clause saying that the Government will have permission to use an unextended borrowing authority to the amount of $3 billion in the next fiscal year.

Therefore, after April 1, 1990, instead of having to come to the House immediately for extra borrowing authority, it will have $3 billion granted by the House today to spend in the next fiscal year. This policy is induced by the deficit which is being predicted for the coming year in the neighbourhood of $30 billion.

We have come a long way since the end of World War II. I am not sure that it has all been progress, but the goods and services available to the people of this country have probably come about because of technical progress around the world. However, as a country Canada is having some difficulty keeping up. I remind the House that after World War II we were the fourth ranking industrial nation in the world. Only the United States, the United Kingdom, and the U.S.S.R. rated higher than Canada right after World War II in terms of industrial output.

The Acting Speaker (Mr. Paproski): Order. Would the Member for Winnipeg—St. James please sit.

Mr. Althouse: Thank you, Mr. Speaker. As I was saying, after World War II Canada was the fourth ranking industrial power in the world, and we are now either twenty–fifth or twenty–sixth, depending upon which ranking one uses. Our influence and power in the world have shrunk considerably and at a very rapid rate.

At the same time we have had some difficulties deciding how we are going to operate our country. For the past eight or nine years we have been shifting to a user pay deregulation mode and have been following an economic philosophy which is probably monetarist in view, following some of the teachings of Milton Friedman and others. This was started by the Liberals and carried on with a vengeance by this Conservative administration which likes to talk a lot about problems it is having with the deficit.

It does have a problem with the deficit. When it came to power it had an accumulated deficit inherited from previous Liberal and Conservative Governments of about $150 billion to $160 billion. It has handled that very well in the five years since then, to the point that the deficit accumulation now ranks somewhere between $320 billion and $350 billion.

• (1250)

In other words, it has more than doubled in approximately four and a half years. This makes a lot of people concerned not just about the deficit but about this Government's ability to operate anything, let alone the Government of this country.

We have been hearing that the way out of this deficit will be to cut expenditures. That seems to be the one-eyed view of this Government to handle the deficit situation. Anybody outside of the Government knows that there are two levers which can be used to handle deficits, whether we are running our own finances, operating a business, or operating a Government. We can cut expenditures, yes, but we also have to find out where to get more money if we are having a deficit problem.

The Government made some bad decisions in deciding where it is going to get more money and where it is going to make the cuts. The result has been that not only does the deficit stay approximately where it is and worsens year by year, but it has not been good for the economy.

Previous to the monetarist view of the world, we had a Keynesian view which attempted to show quite conclusively that by handling spending correctly it was possible for government expenditures in fact to increase the economy and make everyone better off. It is all a question of where we put those expenditures and what we do with the money collected from all of us as a collectivity. We have a political problem but it has created a very large economic problem.

The strategy of this and previous federal Governments has been to involve themselves more with large corporate enterprises and to provide assistance to the very large economic entities which exist in this world. We have heard in previous speeches how grants to big corporate business have risen from less than 1 per cent of our Gross National Product in the 1970s to over 2.5 per cent of Gross National Product in the mid-1980s. We do not have any current statistics to the late 1980s, where we are right now, but I would think that it is probably growing even faster at this point.

The Canadian Federation of Independent Business represents the small businesses with which most of us in outlying rural ridings deal when we talk to business, It has called on the elimination of these big grants to big business which it estimates run at about $8.9 billion in last year's Budget.

Just the elimination of those kind of grants would reduce the deficit by more than $8 billion. There would be some justification in doing that, just from a point of view of fairness and equity. How can the small business in my riding or another riding, whether it is in rural Saskatchewan or urban Edmonton, compete side by side with its new reinvestment tax dollars which it has generated.After it has paid 20 cents or 30 cents tax on that dollar, it only has 70-cent or 80-cent dollars for reinvestment purposes.

We are asking small businesses, in case after case, to go head to head in side by side competition against a large multinational corporation that is investing 100-cent dollars because it has not had to pay any income tax on that money at all. We cannot have fair competition with that kind of a tax system. It is time we had a change.

We have been told by this Government and preceding Liberal Governments that we have to have these kind of tax incentives to big business to encourage investment. What kind of investment are we getting and what are they proposing that we should be encouraging?

We heard in speeches from the Minister of Finance (Mr. Wilson) on down in both Governments, whether it be Liberal or Conservative, that it was to encourage new factories and new institutions that would create new jobs. That sounds all very laudable, but when a tax advantage is applied whether a new business or a new factory is built, or when there is the same tax advantage for taking over an existing one, businesses being by nature conservative and going where they have the sure thing as opposed to some risk, tend to buy each other out. As a consequence in the last decade or so we have had the biggest boom in buy-outs and takeovers that we have seen in our history, all encouraged by the tax system.

This is a tax system which costs the country money, which leads to the deficit, and which causes us to have to come before the House of Commons every year for borrowing authorities that get bigger and bigger. Taxpayers are going to have to pay for it.

If the Government were serious about creating investment, it could use the tax system to achieve that end. Why do we create a tax system which encourages takeover and has a built-in incentive for all participants to create inflationary expectations? Whether it is real estate or the stock market, everybody who is a player knows that if we can just get this stock up or this property up, we will all be slightly better off. Why will we be better off? It is because there will be a nominal value increase. However, we have a tax system which says that on the first $100,000 of capital gain—and these kind of

things are capital gains—we do not have to pay any income tax.

Most of the players in the business world are consciously looking for ways to help each other get the price of certain stocks and certain properties up so that they can all take advantage of the tax-free capital gain and walk out with up to $100,000 in the course of their life-time on which they will not have to pay any income tax at all. Does that encourage investment? I do not think so.

What that type of tax system is doing is encouraging inflation, something which the Minister of Finance has said when he defends high interest rates that he is trying to do away with. He said that he is trying to keep inflation down. How is he trying to do that?It is a little laughable, Mr. Speaker, but he is trying to keep it down with a tax system that encourages the value of stocks, bonds, and properties to go up. He is encouraging inflation with an interest policy that encourages interest rates to go ever and ever up.

That becomes a great cost to the small business people in my riding. It becomes a great cost to the individual taxpayer in my riding and across the country. It is counterproductive to the goals which the Government sets for itself.

In other words, when I am able to complete my remarks after the break I will say that the Government is saying one thing and doing a whole host of other things which will make absolutely certain that its goals cannot be achieved. This application for $24.8 billion worth of borrowing authority gives me an opportunity to point this out to the Government, and I hope that it will take note of it.

May I call it one o'clock and complete my remarks later.

The Acting Speaker (Mr. Paproski): The Hon. Member for Mackenzie will have eight minutes remaining in debate, plus 10 minutes for questions and comments when we resume after three o'clock.

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

The House took recess at 1 p.m.

S. O. 31

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

CBC

REQUEST FOR A NETWORK TV STATION

Mr. Guy H. Arseneault (Restigouche): Mr. Speaker, New Brunswick is the only province in Canada not to have its own television station that is entirely owned and operated by the English network of the CBC.

Therefore, New Brunswickers must be satisfied with watching English-language CBC programs on CHSJ in Saint John.

Given the French-English mix of New Brunswick's population and the CBC's mandate to unite all Canadians, it does not seem very fair that this province is denied a network station. In fact, this situation is clearly intolerable.

[*English*]

The establishment of a full CBC station in New Brunswick would permit the province to reap benefits beyond the television service. With complete production facilities in the province and more New Brunswick-made shows produced there, the province's artists, actors, technicians and other professionals would be provided with new opportunities which are now closed to them.

Although the CBC has been the victim of drastic budget cuts, the need for an owned and operated station in New Brunswick still exists. All that is needed is for the federal Government to show the political will to make it a reality.

* * *

AIRLINES

RENEWAL OF AIR SERVICE

Mr. David Bjornson (Selkirk): Mr. Speaker, on Friday, June 16, I had the opportunity to represent our Government at the inaugural flight of United Express-Aspen Airways from Denver, Colorado to Grand Forkes, North Dakota to Winnipeg, Manitoba.

The role of the Government of Canada in conjunction with the Government of the United States in the approval of the licence for this service is a positive development in the transportation interface between our two countries.

I commend Mr. Don Ringsby and Mr. Don Martins of Aspen Airways for their special efforts in the re-establishment of this program. I would like to congratulate Governor Rommer of Colorado, Governor Sinner of North Dakota and Premier Filmon of Manitoba for their initiative in setting up this regional service.

This licence is not part of the Free Trade Agreement but with the renewal of this air service the business climate between our great countries will no doubt improve even more.

* * *

RAILWAYS

VIA RAIL SERVICE

Mr. Stan Keyes (Hamilton West): Mr. Speaker, a very important meeting was held this morning on the future of VIA Rail. The Minister of Transport (Mr. Bouchard) met with the Mayors of Windsor, Toronto, Mississauga, Montreal, Quebec City and, of course, the great city of Hamilton.

The mayors expressed their desire to modernize the Windsor-Quebec corridor with a rapid and potentially profitable service. The Government unfortunately does not see it this way. Cuts to the budget for VIA Rail would likely impact greatly on the development of passenger rail service in the Windsor-Quebec corridor. Commuters will be forced to look for alternatives to train service which would certainly be more costly and damaging to the environment.

For 1988, the number of passengers on the train between Niagara and Toronto was 273,000 people, of which over 33,000 people either got on or off the train at Hamilton. From January 1 to May 31 of this year there were 98,000 passengers on this line. Ridership, Mr. Speaker, is increasing not decreasing. A multi-modal approach makes sense. The solution is to build a high-speed rail network from Windsor to Quebec and ease the congestion of air traffic from Pearson International Airport by incorporating Hamilton Airport.

[*Translation*]

TOURISM

THE MATANE SHRIMP FESTIVAL AND THE CENTENARY OF AMQUI

Mr. Jean-Luc Joncas (Matapédia—Matane): Mr. Speaker, my constituents, like people in many regions of Canada, have taken charge of their economic future and are doing more and more to make tourism a profitable industry.

Mr. Speaker, I would like to take a few moments to point out two important summer activities in my riding, namely the Matane Shrimp Festival, which will be held from June 24 to July 2, and the Centennial Festivities of Amqui, my home town, which will take place throughout the month of July.

In conclusion, I must pay special tribute to the many volunteers who make these regional events major economic activities in each of our ridings.

This is an invitation to everyone to visit the Gaspé peninsula, one of the most beautiful regions in Québec!

* * *

[*English*]

NATIONAL REVENUE

ASSESSMENT OF VALUE OF TRADE-INS

Mr. Vic Althouse (Mackenzie): Mr. Speaker, prairie farmers who traded used farm machinery in the early 1980s to buy new equipment are still being harassed by Revenue Canada over investment tax credits and the value of trade-ins.

Last year the Department agreed to pay the field cost of a Saskatchewan farmer which would serve as a test case for the rest. We have heard that the case is pretty slanted in favour of the Department but that is another matter. The producer has since dropped his appeal. The Minister recently stated that his Department was looking for another test case. Meanwhile, Saskatoon officials of Revenue Canada have other instructions and have begun to send farmers notices of assessment.

An accountant who offered three of his clients as potential test cases was turned down with no reason given. In fact, the official said she did not care what the

Minister said in the House, Revenue Canada was going to go ahead with the assessments anyway.

Will the Minister keep his word and find another test case? Or is he afraid that the courts will rule in the producer's favour and thus stop his Department's harassment of farmers who followed Revenue Canada's rules only to find them being changed later on in the game.

* * *

LIBERAL PARTY OF CANADA

Mr. René Soetens (Ontario): Mr. Speaker, on November 21 the citizens of Canada spoke with foresight and clearly indicated they would not allow the Liberal Party of Canada to govern this country. In hindsight it was a very wise decision. The Liberal Party is a party bereft of policy and money and now a leader.

The Liberals rightfully planned a convention in Calgary to try to establish a policy with which the Party and maybe Canada could live. Well, they could not even let that decision stand. The Liberal Party does not have any money so it decided to seek an arrangement with a major bank so that the Liberals could charge their expenses on Visa. Just like they ran the country, they have no idea how they are going to pay their bills.

Now, Mr. Speaker, the Liberal Party has announced the longest leadership campaign in their history, a campaign the Liberals want the taxpayers to pay for. For over a year this band of opposition critics bereft of policy and money will be leaderless. Can they really wait until June of 1990 to bring this group together, united under one leader who will lead a party that will still have no policy?

* * *

THE ENVIRONMENT

GREENPEACE REPORT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, speaking of policy, the policies of this Conservative Government are strangling the Canadian environment. I would like to refer to a specific report which was published today by Greenpeace which is a damning indictment of the Government's so-called commitment to the Montreal protocol.

[*Translation*]

The Montreal Protocol was signed by our Government as a sign of our interest in the environment, but in 10 days, the Minister himself will not have the ability to proceed with this protocol because he has not established regulations concerning CFCs.

[*English*]

We have a situation in this country where 25,000 refrigerators are currently being drained of CFCs. In total there are one million refrigerators between Canada and the United States. Those CFCs are not being recaptured. They are leaking right into the environment and they are going to affect the air we breathe, the drought situation in the prairie provinces and the very quality of life that Canadians hold dear. So it is fine for the Minister to sign the Montreal protocol but when he tables legislation this week, we ask him to do something about CFCs and used refrigerator appliances because otherwise all of his talk and all of his government policy is nothing more than smoke and mirrors as was stated in the Greenpeace study.

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

* * *

[*Translation*]

CULTURE

WORLD FOLKLORE FESTIVAL

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I want to invite all Hon. Members and all Canadians to come to the riding of Drummond and the Eighth World Folklore Festival, which will be held from July 7 to July 16. This year's theme is "The Wedding", and more than 30 folk dance groups from 22 countries will be at the festival, reflecting the folk culture of many different peoples during ten days of music, dance, singing, and a host of interesting activities.

[*English*]

More than 1,500 dancers from Canada, United States, France, Brazil and from countries as far as China, Thailand, Turkey and Russia will exchange by their folklore, one of the oldest and marvellous traditions of the wedding; the dance.

[*Translation*]

Last year, the Festival, which was named "tourist event of the year" in Québec, received about 700,000 visitors. This year's festival will be another glorious wedding of music, song and dance from many nations.

[*English*]

An event you will not want to miss is the Festival Mondial of Folklore of Drummondville from July 7 to July 16, Mr. Speaker. *Bienvenue à tous.*

* * *

[*Translation*]

THE ENVIRONMENT

THE PREOCCUPATION OF CANADIANS

Mr. Guy St-Julien (Abitibi): Mr. Speaker, according to a recent Gallup poll, almost all Canadians or approximately 97 per cent of the adult population say they are aware of the dangers of pollution. Almost three-quarters of Canadians in this age group believe that pollution is a very serious problem. In 1987, only 67 per cent of respondents shared that view. In Québec, where the proportion of affirmative answers was the highest, four people out of five, or 81 per cent, said that their province was affected by pollution.

Mr. Speaker, the general response shows that Canadians have become increasingly aware of the dangers of pollution and that times have indeed changed. The trend indicated by this poll shows that the concern of Canadians for environmental issues has increased during the past ten years.

* * *

• (1410)

[*English*]

NATIONAL DEFENCE

REQUEST THAT CAMP IPPERWASH BE CLOSED

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, the Chippewa of Kettle and Stoney Point on Lake Huron have a 47-year grievance with the Department of National Defence. During the last war, the Government took over 2,000 acres of their land at Stoney Point for military purposes. Native families were forced to move but were told that they could have their land back after the war when the land was no longer needed for military purposes.

This reserve land is now used as a summer camp for cadets and no longer serves any regular military functions. However, the beautiful beach-front land is being much appreciated by military officers as a private summer camp for their families.

The Chippewa want to build houses for their people and to develop the beach-front property so they can create jobs for the community. I call upon the Minister of National Defence (Mr. McKnight) to do the right thing, to close Camp Ipperwash, return the land to the Stoney Point people and relocate the cadet camp to another military base where it is wanted.

* * *

CANADA POST CORPORATION

CLOSING OF POSTAL STATION

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, while the Government has been trimming and cutting and destroying the fabric of Canada Post to make a profit, Canadians have had to endure poorer and poorer service. In my riding of Parkdale—High Park, Canada Post, by threatening to close Postal Station V located at 25 Ritchie Street, has forced the residents, many of whom are elderly, to have to go four or five kilometres to get a simple registered letter or to mail a package.

Owners of small businesses that are located in the area because of mail service at Postal Station V will now have to take time from the workday to go all the way to Postal Station M to pick up a package or send a Priority Post letter. These small businesses are being attacked from all sides by this Government with respect to taxes and operating costs. Now they do not even get the mail service they need to do business.

Surely the Government has a duty and a responsibility to all Canadians to ensure the smooth running of our essential services, one of which is Canada Post. I call upon the Minister to reverse his decision and to keep Postal Station V open.

* * *

THE ENVIRONMENT

U.S. MEASURES AGAINST ACID RAIN

Mr. Bill Attewell (Markham): Mr. Speaker, recently U.S. President George Bush agreed to take long-awaited measures to drastically cut carbon emissions that have been causing serious cross-border pollutants. I commend President Bush on his historic initiative, but I would caution that more drastic measures must be taken

to control the high acid rain emissions currently being recorded.

Strong support for more action has recently come from U.S. Senator Al Gore. Speaking in Halifax, Senator Gore admitted that the mood in his country had changed, warranting bolder action. He is looking for President Bush's measures on acid rain to be strengthened by Congress. It is very encouraging to know that the acid rain problem has finally become a major concern, not only in Canada but in the United States as well.

* * *

GOVERNMENT ADVERTISING

TAX DEDUCTIONS FOR CORPORATIONS

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, the Tory Government is morally bankrupt and no amount of tinkering can change that. The Government is paying a consultant $600 every day to help sell the sales tax. The consultant says it may be immoral but it works. I say that it is immoral.

The Government allows tax deductions for those corporations or businesses that advertised for the Government on the trade deal but not for those businesses which advertised against the trade deal. That is immoral.

Three times the Government promised improvements in child care. It introduced a Bill that reduced the number of spaces, promised it again in the election but did not provide for any reasonable improvement in the Budget. That is immoral.

The Government promised to expand and improve VIA Rail and has now announced cuts to public transport. That is immoral.

The Government attacked pensioners not once but twice. That is immoral. It is a tragedy for Canadians that the Government's continuous acts of immorality add up to total moral bankruptcy.

* * *

FISHERIES

DIMINUTION OF NORTH COD STOCKS

Mr. Peter L. McCreath (South Shore): Mr. Speaker, some confusion exists as to the scope and mandate of the special committee of Cabinet announced recently under the chairmanship of the Right Hon. Secretary of State for External Affairs (Mr. Clark) to review implications of the apparent diminution of the northern cod stocks.

For several months now, it has been readily apparent that coastal regions of the Maritimes face serious difficulties as a result of the diminution of groundfish stocks on the Scotia–Fundy region. Nova Scotians in particular will be further hard hit if current forecasts of northern cod stocks prove to be correct inasmuch as 30 per cent of those stocks are harvested by Nova Scotian vessels including vessels from Lunenburg and Liverpool.

Accordingly, I urge the Government to clearly indicate the process that is in place to respond to these very serious and urgent needs throughout maritime coastal areas.

* * *

FISHERIES

INCREASE OF SEA LAMPREY IN GREAT LAKES

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, a sea lamprey is an eel–like parasite that attaches itself to the undersides of fish and kills Lake Superior trout and salmon. Sea lamprey are found in the Great Lakes and at one time were under control, but unfortunately, insufficient funding has caused the sea lamprey to make a resurgence in Lake Superior and the other Great Lakes.

In 1987, the Government froze the level of funding for sea lamprey control. A report by provincial, state and tribal agencies of the Great Lakes estimates that the Great Lakes sea lamprey will double, trout and salmon stocks will diminish by 50 per cent, the Great Lakes sport fishing industry will lose $552 million and the commercial fishing industry will lose $135 million. In sum, the economic activity of the Great Lakes region will decline by $1.4 billion annually.

I urge the Government to alter this course. Increased program and research funding is imperative if we are to save the salmon and lake trout in Lake Superior and the other Great Lakes.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

NATIONAL DEFENCE

CLOSURE OF CFB SUMMERSIDE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Acting Prime Minister. There are two groups of Canadians in Ottawa today to protest two of the Government's decisions linked to the Budget cuts, decisions to destroy the fabric of our country. Mayors from Ontario and Quebec are protesting the cut-backs in VIA Rail service and a grassroots group of people from Summerside, Prince Edward Island is protesting the closure of the armed forces base on the Island.

The Acting Prime Minister will know that this country is held together over vast distances by a framework we have developed as a nation for over 100 years. The country is held together by policies that treat all regions of Canada equally. The Government is tearing that fabric apart.

What did the Prime Minister mean when he campaigned in Summerside, Prince Edward Island, just a few months ago and said on October 15, "In the future, Canada will be doing more, not less for all of you"? How can the decision to close down the Summerside base gibe with the promise made by the Prime Minister of Canada two weeks before the election? What answer does the Acting Prime Minister have for the hundreds of people who have come to protest today on Parliament Hill against the closure of the base?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I think it is important to note first that no one on this side of the House takes profound changes and disruptions in the economy lightly. The policies that we have put in place over the past four and a half years have led to economic growth in every region of Canada.

Having said that, I can say that from time to time there are particular problems. We recognize there is one now in Summerside. We will be working with the community and with the province to ensure that programs are available that will help economic development of that region in the future.

PROMISE OF PRIME MINISTER

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I in no way want to denigrate the versatility of the Minister. However, the question was put to the Acting Prime Minister because it concerns a promise made by the Prime Minister of Canada to the people of Summerside and it involves an issue of national fairness.

We can build this country together only if we treat all regions fairly. We can build this country together only if essential services are provided to all citizens. We can build this country together only if the federal Government's decisions make sense to all Canadians.

How does the decision to close the Summerside base make any sense when we need aerial surveillance to police off-shore fishing on the Atlantic coast and we need search and rescue services for the fishermen? Obviously, the closure of that base devastates the economy of Prince Edward Island.

• (1420)

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, my colleague, the Minister of National Defence, has stated in the House that officials in his Department did consider alternative military uses for Summerside.

However, it did not provide an answer in terms of operational savings to the Department of Defence or in terms of the operations of the defence policy of the Government. That does not mean to say that we do not have a concern for the community. They are two quite different issues.

As a Government we will be working with ACOA which, up until now, has found business opportunities for other areas in Prince Edward Island and throughout the Atlantic, and with the types of programs that we can put in place to help build a more solid future for the people of that community.

Mr. Turner (Vancouver Quadra): The people of Summerside who are here today have come a long way for an empty answer that promises them no hope for the future.

[*Translation*]

RAIL TRANSPORTATION

VIA RAIL—INTERRUPTION OF SERVICE BETWEEN QUÉBEC CITY AND WINDSOR—GORVENMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, instead of destroying what made this country great, we should provide positive support. We should promote and improve on the policies that have contributed to the unity of this country. If we accept that, why should VIA Rail be shut down? Does it make sense to cut passenger services between Québec City and Windsor, in the corridor between Ontario and Québec, while everybody knows that passenger trains replace cars which pollute a lot more, and that trains enable Canadians to avoid our overcrowded airports and highways?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, this morning, I met the mayors from the Québec City–Montreal–Toronto–Ottawa–Windsor–Hamilton–Mississauga corridor. They took a very cohesive stand on VIA Rail services. However, I repeat what I have already said many times to the Right Hon. Leader of the Opposition, which is that nothing has yet been submitted by VIA Rail to me, nothing that says absolutely, once and for all, that we are going to shut down a route between Québec City and Windsor. It might happen, and that is what I told the mayors this morning. Once again, I feel that it makes sense to have acted the way we did in terms of the resources that are available. We can talk about the VIA Rail issue forever without facing the financial truth, but it won't go away!

I repeat, we cannot afford to invest the kind of money we have invested in the past in a service that is hardly being used. On the other hand, it would be an undue assumption to say today that we are going to shut down any route at all. I repeat, it is quite possible, but I think it only makes sense to wait and see what happens about two weeks from now when I receive the report. At that time, the Government will make the appropriate decisions within a reasonable time frame.

[*English*]

NATIONAL DEFENCE

PREMIER'S TASK FORCE REPORT ON CLOSURE OF CFB SUMMERSIDE

Mr. Joe McGuire (Egmont): Mr. Speaker, maybe I will have better luck with the Minister of National Defence.

The Minister and his colleagues have had some weeks now to absorb the contents of the Premier's task force report on the closure of CFB Summerside. Today, he had the opportunity to witness the real depth of concern that Islanders have when they came to Ottawa, at their own expense, to demonstrate on Parliament Hill.

Now that the real facts are in the possession of the Minister and he knows the horrendous impact the closure will have on Prince County and on the province, has the Minister decided that the price is too high for Prince Edward Island to pay, and if not, why not?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, as I have explained to the House, the decision was made because of the economic realities of today that face Canada and this Department particularly. That decision, as other decisions in the Budget, will stand.

The Minister of Employment and Immigration, other colleagues, and myself have had the opportunity to meet people from Prince Edward Island and have stated that we will work with them. We would also appreciate the opportunity to work with the Premier of the province. The province could work with us in putting forward a real economic base, not a base for the economy that is based on something that is not necessary, either from an operational point of view or from any other point of view other than to create activity when it happens to be the Department of National Defence. We have offered, and will continue to work with the province and the people affected in that community.

REQUEST THAT BASE REMAIN OPEN

Mr. Joe McGuire (Egmont): Mr. Speaker, I believe the Premier knows that the entire ACOA budget of $1 billion was more than half spent already in Prince Edward Island or in the Maritimes. There would not be

enough in the original ACOA budget to replace CFB Summerside for any great length of time. That is why the Premier, and Members on this side of the House, are fighting to keep that base open, because nothing else can replace it.

Some Hon. Members: Hear, hear!

Mr. McGuire: A prominent citizen of Summerside has stated: "The Government has placed the greatest burden of the deficit battle on a small community in a poor to marginal region far from Ottawa." He goes on to say: "This is not a base of guns and bombs, but a centre for search and rescue and maritime coastal fisheries surveillance. What logic," he asks, "would close such a centre in Summerside when our waters are even more congested and our fisheries ravaged and endangered?"

Could the Minister answer that question?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, I have answered that question. There is no military operational need to maintain that base.

The other part of the Member's question regarding search and rescue was identified on budget day, and that is still the policy and the direction that we are prepared to take.

Ms. Copps: What is that supposed to mean?

Mr. McKnight: The Premier's task force itself has identified that Canadian Forces Base Summerside does not have any military need. It is there for an economic rationale. This Department does not have that responsibility. We are prepared to work as a Government, as other Ministers have stated, through meetings and discussions we have had. I have had meetings with the mayor—

Ms. Copps: Buck-passer.

Mr. McKnight: Apparently the Hon. Member for Hamilton East is not interested in this. I know that her colleague is, and I am.

I have met with the Mayor of Summerside. I have met with the President of the Chamber of Commerce from Summerside. My officials have met with other representatives of the province and the community, and we will continue to do so.

We have two needs. There is a need for military operational efficiency, which is not located in Canadian Forces Base Summerside, and we have a need for over $1 billion of savings that are made by eliminating that non-military operation in Summerside.

REQUEST FOR TABLING OF ECONOMIC AND SOCIAL IMPACT STUDY

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is on the same subject, and it is also for the Acting Prime Minister.

No Government would deliberately and knowingly shut down the base at Summerside, thus withdrawing $60 million a year from the local economy, and that is also the provincial economy, without having done a thorough and exhaustive economic and social impact study.

I want to know the nature of the study that was done, obviously by the Cabinet before the decision was taken. I would like the Acting Prime Minister to table that study in order that we can all see it, particularly the people of Summerside.

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, my colleague the Minister of Finance would probably be happy to provide whatever information the Hon. Member needs.

What is important for us to do now is work with the people of Summerside and with the province in terms of building toward the future of Summerside, and the future of Prince Edward Island. That is what the Government is concentrating on, and I am working with my colleagues on that very thing.

BROADENING OF ACTIVITIES AT BASE

Mr. Derek Blackburn (Brant): Mr. Speaker, obviously the Government did not do that study and it is hedging on it and running away from it now.

My supplementary question is directed to the Minister of Defence. On May 23 I put some questions to him in the House with respect to broadening the activities into para-military or soft- military surveillance of eastern Canada. It has already been mentioned today that those activities and demands for activities are on the increase.

In his answer he stated that he would get together with his colleagues in Cabinet to discuss the feasibility of that suggestion. I would like to now find out what the response was from those Ministers, and what the results were from those discussions.

• (1430)

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, the Hon. Member knows as well as I do that the closure of that base was for economic reasons. As the Hon. Member knows, there is a tracker—

Mr. Blackburn (Brant): No impact study has been done.

Mr. McKnight: Yes, Mr. Speaker, I can read to the Hon. Member verbatim, if he wishes, a study done by my Department.

Some Hon. Members: Table it.

Mr. McKnight: I can certainly table it. Would that be better?

Some Hon. Members: Hear, hear!

Mr. McKnight: It is the same information that was given out on budget night. I am sure the Hon. Member has read it. However, if he wishes to have it again I will make it available.

The Hon. Member suggests that we should continue to do more with less. The Hon. Member knows we cannot. To re-engine the trackers would cost $331 million. That is just to re-engine aircraft which came off Canada's last carrier, the *Bonaventure*. They are 30 years old.

Because we have to make these savings he is asking that we replace them. We will have discussions among colleagues to see what can be done. However, the Hon. Member has to understand that we cannot do more with less. This Department has $2.74 billion less in this five-year planning period.

GOVERNMENT RESPONSE

Mr. Derek Blackburn (Brant): Mr. Speaker, my final supplementary question is addressed to the Acting Prime Minister.

We understand that today the Prime Minister is in Atlantic Canada. He is meeting with the only Tory Premier of Atlantic Canada in Halifax.

Why is he not meeting with Premier Ghiz of Prince Edward Island on the Summerside crisis? That is where he should be today, not in Halifax.

Some Hon. Members: Hear, hear!

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, just to keep the record straight, the implication was that the Prime Minister has not met recently with other Atlantic province Premiers. He met with Premier McKenna of New Brunswick when they were both participating at the Francophone Summit.

The Government of Canada is prepared, Ministers have met, and officials are prepared to deal with representatives of Summerside, including the Premier, to discuss alternative uses that might be made of the base. However, the decision is clear and should be understood as clear. That base closure decision has been taken. It will stand. As my colleague, the Minister of Employment and Immigration said, the challenge right now is to work together to find alternatives.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF JUSTICE FOR AUSTRALIA

Mr. Speaker: I wish to draw to the attention of Hon. Members the presence in our gallery today of the Hon. Senator Michael Tate, Minister of Justice for Australia.

Some Hon. Members: Hear, hear!

* * *

NATIONAL DEFENCE

CLOSURE OF CFB SUMMERSIDE

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, my question is for the Minister of National Defence. Since the Government announced that it was closing CFB Summerside we Island MPs have tried time and time again to impress upon the Government the disastrous economic and social impact that this decision will have on the Province of Prince Edward Island. They are all to no avail.

Today, hundreds of angry and disappointed Islanders marched on Parliament Hill to register their opposition to this decision.

Will the Minister do the honourable thing today and take this opportunity to announce that CFB Summerside will remain open?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, once again I have to inform the Hon. Member that, no, I cannot make her happy today.

I can ask the Hon. Member if she and her colleagues on the other side of the House will work with the Government to bring about substantial economic activity and benefits that would be long-term and based on a real need, not a false premise that the Department of

National Defence has an economic responsibility when it has a responsibility for the national security of Canada.

Ms. Callbeck: Certainly we are prepared to work with the Government. However, we want this base to remain open.

MINISTER'S POSITION

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I have been listening very carefully to the Minister. He has not yet answered the essential question of fairness.

Is it fair to close the only Armed Forces base in Prince Edward Island? Is it fair to leave Prince Edward Island the only province without a base?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, what is fair is that the Government has taken an action through its Budget to bring economic well-being to Canada. Through that activity there was a reduction in the DND budget.

The Hon. Member is speaking as if Prince Edward Island, with its size, is isolated from the military activities of Canada. The Hon. Member knows better than that. It is not as isolated as areas in the Province of Saskatchewan. It is not as isolated as areas in the Northwest Territories, as she can ask her colleague to her right. It is not as isolated as other areas in Canada are from military activity or that security which is provided by military activity.

CLOSURE OF CFB PORTAGE LA PRAIRIE

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, my question is also for the Minister of National Defence.

It has been almost two months since the Government announced plans to close CFB Portage. In that time the Minister has heard numerous forceful arguments about why the base should be saved and to what alternatives the base could be put. Despite this the Minister has not brought forward any game plan, nor has he even visited Portage la Prairie.

Will the Minister end the uncertainty today and announce what decisions, if any, have been taken in the last several weeks with respect to the future of CFB Portage?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, I know that the Hon. Member has an occasional interest in the well-being of the people of Portage. However, we have been working with the Member of Parliament who represents Portage and has come forward with several alternatives which he has been exploring with the support of the Government.

Some Hon. Members: Hear, hear!

Mr. McKnight: I can inform the Hon. Member that on budget night we made an announcement that starting in 1992, after we have received proposals and made a decision on preliminary flight training which is now taking place at Portage, such as doing it in co-operation with the *Enterprise* outside Canada's Forces, we would then make an announcement on the closure of CFB Portage.

I have said that until we receive that information I cannot make an announcement. The time period for receiving that information is 1992.

IMPACT ON HELICOPTER TRAINING

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, I think we want to hear a detailed account from the Minister and not from the Hon. Member for Portage—Interlake.

My supplementary question is also addressed to the Minister of National Defence.

Helicopter training is one of the major operations of CFB Portage. CFB Portage was chosen as a base for helicopter training, for logistical reasons, weather, topography, and open air space. There is even good reason to believe that CFB Portage is the only base in western Canada that can serve as a helicopter training centre.

Will the end result of the closure of CFB Portage be the loss of helicopter training in western Canada?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, I do not want to draw to the Member's attention actions that have been taken in the past. However, the closure of Gimli and the closure of Rivers, which were equally capable of continuing to provide training, were found to be acceptable to previous administrations because there was no military need as identified at that time.

I can assure the Hon. Member that Portage la Prairie is not the only place in Canada where helicopter training

can take place. I suggest the Hon. Member talk to the Hon. Member for Kamloops and other Hon. Members from British Columbia. He should talk to Members from other parts of western Canada. Helicopter training can take place in several areas.

* * *

VIA RAIL

WINDSOR–QUEBEC CITY CORRIDOR

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is for the Minister of Transport. This morning the Minister rejected a request from mayors along the Windsor–Quebec corridor to protect the existing levels of passenger rail service.

• (1440)

Given the fact that VIA raises through passenger revenues 67 per cent to 74 per cent of its costs along the corridor, using extremely old and expensive equipment, while the best Amtrak in the United States can do is 69 per cent over the total system, will the Minister go back to Cabinet and demand the necessary funds to continue VIA's operation and to acquire new equipment so that it can make a buck?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, the Hon. Member knows very well what I will say. I do not know what has been said to him, but this morning the mayors presented some requests in terms of the *status quo*, and particularly in terms of consultation. I said that I will make a decision which will be communicated to the mayors of the corridor.

My hon. friend knows very well that I will not make a decision before VIA Rail presents its corporate plan within which we will have some proposals. I will not deal with the corridor without keeping in mind that I have to deal also with all other routes in the country. I cannot make a decision between Windsor and Quebec without keeping in mind that there are many other places in Canada.

Mr. Angus: Mr. Speaker, he made a decision by deciding correctly to protect the nine routes that are served only by VIA.

POSITION OF MINISTER

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, if the Minister wanted, he could decide to protect the corridor because of the impact on the environment, the impact on the congestion at Pearson Airport, and the impact on the highways in Ontario and Quebec.

Will he do that now so that, at the very least, that section in that very populated area of the country can be protected, and we will continue to fight for the rest?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I hope my friend is not comparing the Winnipeg–Churchill route with the Toronto route.

Mr. Angus: They are both necessary.

Mr. Bouchard (Roberval): There are not the same kind of transportation modes between Toronto and Montreal and between Winnipeg and Churchill. Of course we kept nine routes where, in some places, there is no other transportation mode. He understands that very well.

The decision on the corridor will be made in light of the proposals by VIA Rail. It is a Crown corporation that must make its own corporate plan. Once again, decisions will be made in due course. I have no more money than I did two months ago. We will make a decision that corresponds to our capacity to pay.

* * *

[*Translation*]

HOUSING

RESTORATION ASSISTANCE PROGRAMS – MINISTER'S POSITION

Mr. André Harvey (Chicoutimi): Mr. Speaker, my question is for the Minister of State for Housing.

Everyone knows how important our restoration assistance programs are throughout the country and particularly in Québec.

I would like to ask the Minister of State for Housing if he intends to further emphasize assistance for rental housing in his social housing programs.

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, two weeks ago, I met the Québec Housing Minister, Mr. Paradis, the Mayor of Québec, Mr. Pelletier, and the Mayor of Montreal, Mr. Doré. I hope to form a tripartite federal–provincial–municipal committee, which will find solutions to the problems raised by the Hon. Member.

I also wish to cooperate with the Hon. Member and other Members from Québec to solve these problems.

[*English*]

VIA RAIL

WINDSOR–QUEBEC CITY CORRIDOR—POSITION OF MAYORS

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to return to the unprecedented appeal of the mayors of the major cities in the Windsor–Quebec City corridor to the Minister and the Government that the VIA Rail service in that corridor be kept in operation.

Why does the Minister not agree with the mayors when they point out in their brief that more than 10 million people have access to this service and that the future of the railway links in the corridor therefore has an impact on Canada's economic development? If the Minister and the Government are serious about Canada's economic development, why do they not end the uncertainty today and make a commitment that that VIA corridor service will remain in operation?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, perhaps I do not have the same perception of management as the Member for Windsor.

Some Hon. Members: Hear, hear!

Mr. Bouchard (Roberval): When we see the debt that was created by the Liberals, we know very well that they are ready to use 25 per cent of the budget for all of Transport Canada on 3 per cent of the ridership. That is how the economy developed in this country under the Liberal Party. Thank you very much, but I am not interested.

[*Translation*]

Mr. Gray (Windsor West): Mr. Speaker, the Minister's answer is a slap in the face to the mayors and people of the six large cities in the Windsor—Québec corridor.

[*English*]

IMPACT ON REGIONAL ECONOMY

Hon. Herb Gray (Windsor West): Mr. Speaker, why is the Minister ignoring a key point in the brief of the mayors when they say that current service in the corridor cannot be interrupted because "this would have catastrophic affects on the regional economy and the competitive position of the cities in the corridor". Why does the Minister and the Government not care about this and make a commitment now to keep that service in operation?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, who said today that the service will be cut between Windsor and Quebec? I said repeatedly in the House that we will wait for the proposals by VIA Rail. The Hon. Member has already made a decision without the Crown corporation, as Liberals have always done. He will have to accept that the Crown corporation will make its proposals. The mayors understood that this morning. He should speak to the mayors again.

* * *

IMMIGRATION

INVESTOR PROGRAM—SPECIAL MINISTERIAL PERMITS

Mr. Sergio Marchi (York West): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Media reports today reveal that over 100 special ministerial permits have been issued to allow entry into Canada of individuals who are willing to invest over $150,000 under an investor program that is still not officially and fully operational.

Why did the Government announce this program in April 1988, only to raise demands and expectations when no regulations have been finally established? Why did the Government issue ministerial permits to people under a program that has yet to obtain the necessary legislative authority from the Chamber?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I think it is important to point out that since the program was announced there have been discussions with a number of provinces. There are very clear guidelines in place. I think they are well understood by the people who are directly involved with the investment procedure. The regulations will follow.

Mr. Marchi: Only that Government can put the cart before the horse.

GOVERNMENT RESPONSE

Mr. Sergio Marchi (York West): Mr. Speaker, my supplementary question is directed to the same Minister.

The Minister knows that ministerial permits were designed to be used for compassionate and humanitarian reasons to help people who are facing desperate or life threatening situations. Why did the Government abuse the application of these permits by allowing business

investors simply and blatantly to buy their way into this country?

Why extend special privileges to the chosen wealthy few when the Minister, for instance, has played tough and callous with families whose children suffer from Down's syndrome?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I want to remind the Hon. Member—and he has personal knowledge of this—that this Government does use ministerial permits for many other purposes.

• (1450)

This is the Government that has expanded the family class. This is the Government that has actively moved to help Chinese citizens in Canada with the current situation in China. This is the Government that has taken in more refugees than were taken in before. I think that the question is really an inappropriate one.

* * *

FISHERIES

NORTHERN COD STOCK

Mr. Peter L. McCreath (South Shore): Mr. Speaker, my question is for the Secretary of State for External Affairs. Recently the Government announced the establishment of a special committee of Cabinet to review the potential impact of possible reductions in northern cod stock.

Given that Nova Scotians already face urgent and serious difficulties arising from the proven diminution of the groundfish stocks of the Scotia Funds region, can the Minister assure the people of Nova Scotia, and in particular the people of the South Shore, that the special committee will as well review our urgent needs and problems and that the committee will bring forth recommendations for special measures to respond to existing as well as to potential problems in the Maritime coastal areas?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I want to thank the Hon. Member not only for the question but for the active representations he has made to me and to other members of the Government with regard to the very special and serious problem of the groundfish fishery in Nova Scotia.

I can assure the Hon. Member that the special committee I have been asked to chair will look at that question. We will examine the effectiveness of existing programs in dealing with the impact of that problem upon the communities and the livelihood on the South Shore. If necessary we will look at other programs.

I would ask the Hon. Member to continue his active representations which have been very helpful to us.

* * *

THE ENVIRONMENT

SUSTAINABLE DEVELOPMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Minister of the Environment. As the Minister knows, the Prime Minister endorsed the conclusions of the World Commission on the Environment and Development before the United Nations. The Minister of Environment endorses the principle of sustainable development on an almost daily basis and claims that it is the number one priority of Cabinet.

However, despite the lip service, 72 per cent of Canadians polled by Gallup this month believe that the dangers of pollution are now severe. We in this Party have proposed that at least 1 per cent of the national budget be directed to grassroots organizations to take action on sustainable development. Does the Minister not believe that 1 per cent of Canada's national budget should be set aside for that purpose in this crisis situation?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, we were all very interested this morning to read in the papers that 97 per cent of Canadians are aware of the seriousness of the environmental situation. This is confirmation that the Government was right in making a strong commitment to sustainable development. We will pursue this commitment.

We know that the funding of the organizations is not at the level that they were expecting. I met them this morning. I think that we will have to devise a policy to take care of this concern.

Oral Questions

FUNDING OF CANADIAN NETWORK

Mr. Jim Fulton (Skeena): Mr. Speaker, on June 8 in this House the Minister of Environment said the following:

> We have all made too many speeches on the environment. What we need now is action.

I think we all agree with that. As the Minister would know, the Canadian environment network represents over 1,800 national environment groups, and the Government of Canada provides $84 per group per year, one three hundred and sixtieth of what the Government provides to amateur sport. That funding is to assist them in research and public education on environment issues right across this country.

Does the Minister really believe $84 per group per year is sufficient to deal with the crisis we face in the environment of Canada and the earth?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, it is true that too many people are delivering great speeches for environment, but the difference between our colleagues on the other side of the House and ourselves is that we are taking action.

Some Hon. Members: Oh, oh!

Mr. Bouchard (Lac-Saint-Jean): We have already announced the implementation of two programs: one last year, $110 million for the action plan for the St. Lawrence waterway, and last week $50 million for the "environment partners fund". Those are actions that we are taking.

We will introduce more in the fall. There is very important legislation before this House, and the House will be invited to co-operate with the Government to provide the country with an Environmental Assessment Act.

* * *

FREE TRADE AGREEMENT

STATISTICS CANADA REPORT—MINISTER'S POSITION

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, my question is for the Minister of International Trade. Last October the Prime Minister was quoted as saying that the Free Trade Agreement would create more new jobs for Canada and put more money into Canadian pockets. Yet, we now have in front of us a report from Statistics Canada, and the quarterly trade results which show exactly the opposite.

In fact our exports to the United States are consistently going down and our imports from the United States are consistently going up. Is the Minister now prepared to say that the Prime Minister was wrong and that in fact the Free Trade Agreement is ending up having fewer jobs for Canadians and less money in Canadian pockets?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I could give the short answer which is no, but I want to elaborate a little.

For example, the World Economic Forum just met here in Canada, and Klaus Schwab who is the founder of that forum said that our economy's recent growth rate has been second only to that of Japan. He said:

> The forum's most recent ranking on the competitiveness of various countries placed Canada in fourth position.

Some Hon. Members: Hear, hear!

Mr. Crosbie: Economist Pierre Fortin said:

> The signing of the Free Trade Agreement—is the most important economic achievement of this decade for Canada.

Mr. Speaker: The Hon. Member for Winnipeg South Centre.

Mr. Crosbie: There is more to come, Mr. Speaker.

IMPACT ON TRADE BALANCE

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, with all due apology to Mr. Klaus Schwab and the World Economic Forum, I am talking about a report from the Government itself, the Statistics Canada report which points out that our trade balance is at its lowest level in close to eight years. In fact, we are almost close to having a trade decline, a trade deficit which we have not had in 15 years, all because of the disastrous agreements signed by this Government.

We want to know what this Government is going to do about that trade deterioration. Is the Government going to do something about the closures in the softwood lumber industry? Is it going to do something about the movement of the auto parts industry to Mexico? Is this Government going to stop issuing press releases from Mr. Schwab and take some action on behalf of Canadian business?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, we just saw the sparrow in action again.

Monte Kwinter who is the Minister of Industry in Ontario—

Some Hon. Members: Oh, oh!

Mr. Crosbie: —is quoted today as saying:

> —his Government hasn't identified a single plant that has closed because of encroaching U.S. entrepreneurism under free trade.

Finally in explanation for the present trade surplus position, there is a whole series of explanations including the fact that the Canadian dollar has gone up tremendously in value since 1984 when the disastrous economic performance of the hon. gentlemen opposite was ended. That is one of the reasons for this situation.

Imports of aircraft have risen quite tremendously. There has been an increase in crude oil prices. Our wheat exports are temporarily down at the moment. I could take the gentleman outside and explain all these matters to him, but I can assure him that it is not the U.S.-Canada Free Trade Agreement. It has no connection with the situation at all.

* * *

VIA RAIL

APPOINTMENT OF PRESIDENT AND CHIEF EXECUTIVE OFFICER

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is for the Minister of Transport. The Minister appointed as president and chief executive officer of VIA Rail the president and chief executive officer of Canadian National, a company that spent VIA's whole corporate life gouging VIA financially.

This creates a conflict of interest because for every VIA route that is cancelled by Mr. Lawless, this enhances CN's argument for shutting down that rail line entirely. Why did the Minister appoint Mr. Lawless as president of VIA Rail when he knew that it must surely mean the end of the passenger service between Sydney and Halifax, which would lead almost definitely to the abandonment of the rail line in eastern Nova Scotia?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, the president of VIA Rail, Mr. Ron Lawless, appeared last week before the Transport Committee. I believe I said that this question was raised, and Mr. Lawless answered satisfactorily regarding that concern about a conflict of interest. I believe Mr. Lawless is an outstanding man in terms of rail transportation. The role he has to play is to deal with the levels that we have given to him. Unfortunately, I believe that we cannot afford, as the Member's Party unfortunately did for so many years from 1977 to 1984, to deal with the corporation which could not attract maximum ridership. For that reason I believe the decision which will be made will be the best, even for eastern and Atlantic Canada.

• (1500)

PROPOSALS OF VIA RAIL AWAITED BY MINISTER

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, the Minister knows that appointing Mr. Lawless as President of VIA Rail is like asking a fox how many chickens should be left in the coop. Why does the Minister not admit that he wants to see VIA Rail service abandoned between Sydney and Halifax and that he wants to see the rail line in eastern Nova Scotia abandoned?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, at this time the Minister does not have to want anything about VIA Rail, he has to want to have a report by the corporation which will give options. If one of the options is to keep the route between Sydney and Halifax, I will be delighted to be in agreement with the company. However, I have to wait for the proposals.

* * *

HOUSING

CMHC FUNDS FOR PRINCE CHARLES SENIORS PROJECT

Mr. Jim Karpoff (Surrey North): Mr. Speaker, my question is directed to the Minister of Housing and concerns the Patricia Starr case and the use of CMHC guaranteed funds for the Prince Charles Seniors project in Toronto.

It is standard practice for CMHC funds not to be released to a project by a financial institution unless authorized by CMHC, based on specific expenses, and supported by vouchers and signed contracts. Consulting

contracts and invoices have to be filed with CMHC and authorized on an individual basis on each job.

Can the Minister state whether in the Prince Charles project these procedures were followed and if not, why not?

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, the case to which the Hon. Member is referring was a turnkey project involving the Tridel Corporation and the charity in order to produce the non-profit housing project. In that particular case funding was advanced in accordance with the usual procedures of CMHC. The funds that are involved, as I understand it, are funds that were returned to the charity as a retail sales tax rebate. It was those funds, as I understand it, that were used in connection with this situation.

EXPENDITURE OF CMHC FUNDS QUESTIONED

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I would like to point out to the Minister of Housing that some of the funds were in fact for consulting fees guaranteed by CMHC. This scandal is now a month old. Has the Minister not found out what vouchers and contracts were filed with CMHC concerning this project and Patricia Starr?

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, that is most certainly the case. All of those facts are well known to CMHC and in fact a request has been made for the return of the funds which were spent inappropriately.

I am sorry that the Hon. Member has not had the opportunity to ask a question in this House for some six weeks. Members of the Government have, of course, been asking questions on housing and I am pleased to see that at long last—

The Acting Speaker (Mr. Paproski): Orders of the Day.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1989–90

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C–11, an Act to provide borrowing authority, be read the third time and passed.

The Acting Speaker (Mr. Paproski): When the House rose at one o'clock the Hon. Member for Mackenzie (Mr. Althouse) had the floor. He has a further eight minutes plus 10 minutes for questions and comments.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, when the sitting of the House was interrupted for the lunch break I was pointing out some alternatives that the Government might use in order to offset the deficit about which it is so concerned at the moment. I pointed out a couple of tax provisions which I thought would do two things; they would provide funding to reduce the deficit and would also help in the fight against inflation. I wanted to carry on by pointing out in the last few minutes available to me that there are alternatives. I was attempting to point out some of the other choices which the Government has to raise money and to reduce the deficit. One of the things which the Government has overlooked is where it gets its money.

Let us examine the long-term pattern of taxation with respect to the proportion of revenue accruing from personal and corporate taxes respectively. We know that in 1950 income taxes from personal and corporate sectors were approximately equal and together they represented some 75 per cent of the total federal revenues. About three-quarters of what the Government took in came from income tax, half of that from the corporate sector and half from private individuals.

By 1988, personal taxes had risen from 35 per cent to 47 per cent of total government taxation and revenues, while corporate taxes had declined from something like 40 per cent to about 9 per cent of government expenditures. In other words, the corporate sector has managed to sharply reduce its relative share of the cost of government operations to less than one-fifth that borne by individual taxpayers collectively. In 1988 terms, if the corporate sector contribution had been equal to that paid

under personal taxes, instead of a budget deficit of some $30 billion the Canadian Government would be looking at a surplus of $18.5 billion.

The difference there is quite dramatic and if the Government is really serious about reducing its deficit, one of the first things I contend it should do is start going back to equitable taxation between the corporate sector and taxation of the individual and small business.

Earlier I pointed out some of the problems that came from this kind of tax policy. Instead, the Government brought in a Budget which imposes additional taxes on individuals. It proposes to add, at the beginning of 1990, a new sales tax which, far from being revenue neutral as was touted by the Minister of Finance (Mr. Wilson) months ago, according to Finance Department officials' own figures it will take an additional $3 billion from the pockets of individual taxpayers.

I contend that under any definition of inflationary pressure that will be inflationary. The Government is asking people to shell out even more money for services and will be creating an inflationary environment. The Government is feeding the Bank of Canada with a policy which is attempting to keep the Canadian dollar high by keeping interest rates high and attracting dollars to Canada, something which is self–defeating on a whole series of counts.

We heard in Question Period today that we are very close to having the first trade deficit that the country has faced in more than 50 years, all because we have built the Canadian dollar up into the low eighties from the high sixties. In order to do that the Government has successively increased the amount of interest that we have to pay.

Small business people, farmers and homeowners in my riding are having to pay ever–increasing interest rates, an increase of more than 3 percentage points over the past year.

• (1510)

When we produce our goods and services for export, whether it is grain, light manufactured goods or wood products, the price that we receive in U.S. dollars, whether we sell it to the United States, Asians or Europeans, the value of the product in our market is down. When we were selling it for 67 cents U.S., and are now selling it for 82 cents or 83 cents, the amount of money that we have to keep is very much smaller. We have lost 15 per cent to 18 per cent of the value of those products simply because the Government has decided to go for a high dollar kind of policy accompanied by high interest rates.

If the Government is serious about cutting both inflation and the deficit, a lower interest rate policy accompanied by a slightly lower dollar would help us to get there. The cost of carrying the something between $320 billion to $350 billion accumulative deficit would go down if we let the interest rate go down. The amount of money that exporters right across the country would garner from shipping products outside of the country would go up. With those extra funds, new economic activity could be created. Instead, the Government chooses the current route of charging more taxes and reducing very much needed services to constituents.

It has particularly been hard on constituencies lying outside of the big metropolitan areas, areas like Mackenzie in Saskatchewan which I represent. We have seen a commitment in this Budget for the Government to cut $90 million to $100 million per year from its contribution to the crop insurance program. This means that the farmers and the provincial governments are going to have to pick up the difference. Given the tendency of the provincial governments of late, I predict it will mostly fall on the farmers.

From this Budget we have seen an announcement to end all branch line rehabilitation. The last little branch line in western Canada which is going to be built this year is being built into my hometown. There is 13 to 14 miles there. After that, there is no more money. What does that mean? It has been accompanied by an announcement by C.N., and apparently soon to be followed by CP, that the track crews which CN have will be cut by one–half. They are going to lay off half the workers. Anybody with seniority of under 12 or 13 years will be probably laid off and out of work. The branch lines have now been reserviced or totally abandoned. Those branch lines which have been rebuilt are only guaranteed service until the end of this decade, this century, to the year 2000. They will not need track crews any more to keep them up. They have all been rehabilitated in the last 10 years. The companies have just callously decided to lay off half the track crews and let the service go to pieces

because they will not be servicing a lot of these towns in the very near future. Within a decade they can abandon them. This came about because the Government decided to abandon those particular programs.

This last Budget ended interest-free cash advances to farmers which has been a part of the farm network of services for the last 15 years or so. It has now ended. There is an end to the commodity based loans under the Farm Credit Corporation where the Farm Credit Corporation is asked to share the risk of declining farm prices. They cannot do that. The Government talks a lot about the risk but they do not want to be involved in sharing some of the risks they are imposing upon Canada's farmers.

This Budget saw the elimination of the Dairy Special Export Program. It is no longer in existence after this Budget. This Budget saw the termination of the At and East grain and flour rates which permit Halifax, Quebec City and the ports which are open over winter to participate in the grain trade while the seaway is frozen up. It is being put to an end. It will reduce the potential for export. It will reduce the jobs which exist in those ports.

This Government has, in short, given up on a lot of programs that I think were necessary to keep the regions of this country healthy, and has continued with a program of leaving the regions to the mercies of the cold winds of economic rationalization. It would not be so bad if that was all the Government was doing but it is forcing this rationalization by interfering with the interest rate, interfering with the dollar, deregulating transportation and the other services which might keep these regions in business. It is doing everything it can to force them out of business. I do not know how the country can continue with that kind of policy.

The Acting Speaker (Mr. Paproski): Questions or comments. Debate. The Hon. Member for Hamilton East.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I think it is particularly appropriate that on this day when we have the mayors of the Quebec City-Windsor corridor in Ottawa to deal with the Government's devastating cut-backs on VIA Rail and to address the environmental issues, that we also have an opportunity to speak on the borrowing Bill. The Government is seeking authority to borrow millions and millions of dollars at the same time as it claims that it does not have the money to maintain essential services.

It is interesting to note that in one of today's columns it is pointed out that one single interest-free loan which has been recently tendered to—

[*Translation*]

—the Lavalin Corporation is worth as much as all the funds throughout Canada for all unemployed workers, whether they lost their jobs because of free trade or something else.

Mr. Speaker, it's incredible! The Government says that it does not have a cent, that it is almost broke, but when the time comes to give Lavalin an interest-free loan, it finds the money. However, when the time comes to pay for VIA Rail to make linkages among communities, it never has the money.

[*English*]

This Government is fraudulent in the sense that it is claiming to the people of Canada that it cannot afford to keep the rail service going. What is the ultimate effect of a cancellation of the rail service? In our own area, the Government is spending millions of dollars on an ongoing basis to try and keep traffic going into the Toronto International Airport. The Toronto International Airport at the moment is an economic disaster area. In fact, my colleague, the Member for Gatineau—La Lievre (Mr. Assad), raised a question in the House last week that conventions, conferences and business people do not even want to go to Toronto for conventions because the airport is such a disaster area.

We know that the Minister of Transport (Mr. Bouchard) himself, gutless though he may be—he is not prepared to admit to the public that there is a severe safety problem in Canada's skies—has undertaken a secret study of the safety issues which are basically at the root of some of the problems in Toronto. I am doing everything I can to avoid Toronto. One of the ways which we can avoid the Toronto International Airport is by using an effective train service.

The decision by this Government to eliminate VIA Rail passenger service at the very moment when we as a nation are becoming cognizant of the fact that the environmental time bomb is ticking, is sheer folly. If we look simply at the issue of the creation of sulphur dioxide and the carbon monoxide emissions from automobiles and how much our own atmosphere can be saved by effective and efficient use of passenger service, and if we believe the comments of the Brundtland Commission about sustainable development, then surely we have a responsibility to encourage the use of communal passen-

ger service. In particular, a most efficient use of the rails which are a cleaner, more effective form of movement of Canadians than the amount of fossil fuel burning which is needed to get one jet off the runway at Toronto International Airport.

When we want to talk about money and savings in the economy, let us understand that the train service in this country has formed an integral part of the development of the communities.

[*Translation*]

And, Mr. Speaker, I think that there are other issues related to the Government's decision to cut the ties between communities.

[*English*]

We are not just making an economic decision here. What we are making is a decision to amputate the lifeline of an island like Cape Breton.

• (1520)

I was in Cape Breton on Friday night and met a young student who uses the train to get to university. She told me that if that train is cut off she will not fly because she cannot afford to. The bus service makes it necessary for her to stay overnight in a hotel in order to make a connection. The train service effectively and efficiently provides a link between the island and the mainland and keeps Canada together. This is not just an economic issue, it is an issue about whether the Government believes it should be putting money into communities that link Canadians from coast to coast.

If Sir John A. Macdonald in the early 1860s had looked at the issue of the CNR, he may have said it does not make economic sense. It is too expensive. We cannot afford to do it. He could have been a doomsayer and a naysayer like the Conservatives. But instead, Sir John A. Macdonald had a dream. He had a dream that despite all the economic forces pulling us to the south we were going to build a country that went from east to west. We were going to pay the price that includes sometimes having a postal service that is not just there to make money. Did you hear the Minister responsible for the post office—I should say the coast office, because that is about what it is doing at the moment—boasting about his profit? There are thousands of Canadians in rural communities who have had their lifeline to the outside world cut off with the closure of rural post offices, Mr. Speaker. But the Minister of Regional Industrial Expansion (Mr. Andre) and the Government see the function of the post office as merely a money-making machine. There is more to Canada than sheer capital even though the Conservatives do not seem to be aware of that fact.

I was not surprised that the post office was able to report a profit. We had hearings in Hamilton recently which pointed out specifically that the post office in Hamilton is breaking the law by requiring workers to work overtime without getting paid for it. Indeed, if workers want to be hired by Canada Post they have been requested to sign a form in which they will state that they will work overtime without being paid for it. It is a violation of the law. Any business in this country could turn a profit if it were prepared to disregard the basic rights of workers under the Canada Labour Code.

We were also informed that on a regular and consistent basis Canada Post falsifies its payroll records, falsifies Priority Post recordings so that it can report that it has delivered a piece of mail on time when, in fact, it has not. That is standard operating procedure at the post office. Furthermore, we heard that it is standard operating procedure when a package valued under $100 is insured for delivery, that if the delivery date is not met there is a specific directive given to employees to destroy the contents of the package and pretend that it has been mislaid or misplaced. The post office does not want to say it has not met its delivery deadline. Anyone can cook the books, Mr. Speaker. But it is up to the Government to have a direction for this country which says that there are certain instruments of national unity which should be supported in order to build Canada east and west and make us a stronger nation.

One of those instruments is VIA Rail and its passenger rail service. Heaven knows, when the Conservatives were sitting on this side of the House we remember very well the assault on previous Liberal Ministers when they attempted to change passenger service at places like Nakina. I remember, because I myself wrote on behalf of the residents of Nakina urging CN to continue stopping in that particular community. But what we have is a deliberate and vicious attempt by Mr. Lawless—and I think his name is rather appropriate—and the Minister of Transport (Mr. Bouchard) to close VIA Rail. They do not want the system to work. They do not want Canadians to start using rail as an alternate, cleaner, more effective and more efficient use of common transport. They would prefer simply to shut it down. They do not look at the economy and the deficit. Take a trip down the

highways between the Windsor–Quebec City corridor any given day of the week.

How many hundreds of thousands and millions of dollars are lost by virtue of the fact that many of our roadways are currently impassable? They are impassable because the volume of traffic that is in a position to move from Windsor to Quebec City is far greater than the system was built to carry. If you are a trucker sitting on the highway—let us say the 401 coming east of Toronto—for two or three hours of lost trucking time multiplied by the hundreds of thousands of commercial vehicles on the road that are paying the price for an over-clogged system, that is lost gross national product. That is lost money to the economy. But the federal Government in a very shortsighted and environmentally insensitive way does not look at the long-term impact of what will happen when these hundreds of thousands of passengers pour off the trains and onto the roadways or onto airplanes.

We are spending in the millions of dollars already and we cannot deliver a decent service to fly somebody from Ottawa to Toronto. So how in heaven's name do we expect to be able to absorb the increased capacity of the number of passengers who will be leaving the trains and piling onto the roads or into planes or buses? It cannot be done. For the Government to suggest that it is merely a bottom line issue is a folly.

It is symbolic of this Government that it really does not give a darn about the regions and communities of this country that are very dependent on federal government involvement. An example of this was the response of the Minister of National Defence (Mr. McKnight) today when the people of Summerside at their own expense came thousands of kilometres to Ottawa to plead their case, and they did not even get the courtesy of a decent answer from the Minister on what research went into the decision to close down CFB Summerside. Callous, cold, cruel, uncaring, heartless are just some of the adjectives that must be used to display the utter disregard of this Government for the people of Summerside whose livelihood depends very much on the survival and sustenance of the base at Summerside. What did the Government say? It sent out the Minister of Employment and Immigration (Mrs. McDougall).

I must say I am getting increasingly disturbed about a trend of this Government. When the Government has to make a tough decision or bring forward a tough policy, it trots out its women members and women Ministers to justify it. Well, we on this side of the House think it is unconscionable that a government that promised it was going to create hundreds of thousands of jobs is in the process of dismantling the very infrastructure that permits the survival of those jobs in those communities. What is the Minister of Employment going to say to someone in Summerside? The Minister is telling them to work together with the Minister for the strengthening of ACOA. We have seen what ACOA has done. It has built a very nice road beside the property of the Minister responsible for Nova Scotia and ACOA, the Minister who is responsible for making recommendations for ACOA. But the Government certainly does not have the capacity to replace the kind of fatal blow that has been dealt to CFB Summerside.

I do not think it is a coincidence that this vindictive action has been taken against a province that by sheer coincidence voted Liberal in the last election. There are four seats in Prince Edward Island.

The people of Prince Edward Island were not hoodwinked by the false promises of the Government and they voted Liberal. If you look in my own community of Hamilton, Mr. Speaker, we had the good sense to send three Liberal Members to Parliament. The Government is embarking on a plan which was articulated very well by the Hon. Member for Mississauga South (Mr. Blenkarn) who basically a few days after the election made one of the truer statements made by this Government—and I use the word advisedly—when he said that Ottawa and ridings that voted Liberal would be punished by this Government because it would not forget. Well, we are being punished in Hamilton. The Canada Centre for Occupational Health and Safety has been operating for ten years. The Minister of Labour (Mr. Corbeil) has recognized that it is a model not only for Canada but for the world. It is a model of worker, management and Government participation. Yet the edict has come down

from Ottawa that within the next three years, the centre must be self-sufficient or it will be cut completely loose.

• (1530)

To understand the mandate of the centre, one must realize that the centre makes available to workers across Canada information on chemicals, for example, materials workers may be working with which are potentially life-threatening if they spill them, rub them in their eyes or come into contact with them in an unsafe way. The centre allows them to call to find out what chemicals are involved and whether or not they represent hazards in the workplace. I dare say that some companies might make this information available to their employees but many would not prefer to do so. This service will not be able to survive because of the theory of the Conservative Party, which is that if it does not make a buck, cut it. There are some things in life that are more important than making a buck, and I happen to believe that one of them is protecting the lives of workers.

The centre was expanding to work with the Canadian environmental network on environmental information. Canadians are thirsting for information about how to do more locally and think globally in relation to the environment. The Canada Centre for Occupational Health and Safety, together with the Canadian environmental network was moving to develop a model whereby people anywhere in Canada could pick up a phone to find out the effect, for example, of CFCs, to find out what one can do in one's own home to recycle and conserve. This is the kind of useful information which could lead to the saving of our planet. That was what the centre had in mind, but because the Conservatives do not feel that the centre responds to the almighty dollar, it will cut it loose. It will kill that centre which had been operating for a decade and was visited by people and organizations from around the world.

We on this side of the House are trying to say that the role of Government is not merely to borrow money. The role of Government is not merely to create capital. The role of Government is to create a climate in which our country is built and made strong, one which develops links from region to region. Sir John A. Macdonald had a dream that the trains could link east and west. It is important that the Government understand that the role of VIA Rail is not simply one of coming up with a bottom line, the role of VIA is one of linking the country.

The Post Office does not exist to make a profit. The Post Office does not exist for the trading of stocks and bonds. That is the role of the private sector, the Toronto, Vancouver or Montreal Stock Exchanges. The role of Government is to provide a base from which the private sector can grow but also to provide a base that protects the weaker regions and the weaker citizens.

[*Translation*]

The Gallup polls last week showed that the Conservative Party is losing popularity in all regions, including Québec, the Maritimes and the West. The reason for this incredible statistic is that the Conservative Party does not understand that it is the Government's role to make this connection. All it sees, Mr. Speaker, are dollar signs.

[*English*]

All they can see are dollars signs popping up and down. The Minister responsible for the Post Office was practically salivating last week as he saw those dollar signs popping up and down. However, he did not talk about the increase in costs, the fact that the people in my riding cannot get door-to-door mail service if they happen to live in the newer areas and are relegated to having to use supermailboxes. He did not mention that rural post offices across Canada have been cut down and that workers are being forced to work illegally. He did not mention that Canada Post has embarked on the falsification of payroll records, an illegal activity. Those are the kinds of reports that the Government should be called to account for. Instead, all we see is the Minister responsible salivating over Canada Post's profit report.

We in the Liberal Party do not support the Government's single-minded pursuit of capitalism at the cost of the regions. We do not support the Government's pursuit of dollars through the closing down of VIA Rail and rural post offices and so many of the things that have kept Canada together. That is why we cannot support the Government's borrowing Bill. Why should we give the Government billions of dollars when it is only interested in spending the money to pump up their friends and to make the unfortunate decisions we have seen made in

the last five years? Government Members are frauds, they should be exposed and we should not vote for the borrowing Bill.

[*Translation*]

Mr. Fontaine: Mr. Speaker, I have a question for the Hon. Member for Hamilton East (Ms. Copps).

At the beginning of her speech, she alluded to a project for which $800 million would be made available, in order to finance a surface rail transit system in Bangkok. This project was made possible thanks to work done by Lavalin and a consortium of Canadian companies. The Government has not yet agreed to make the funds available. In the course of negotiations with the EDC, it was suggested that 39 per cent of the funds would be made available interest free, and that 61 per cent would be subject to 8 per cent interest. Those are conditions that appear to be customary on the world market.

Does the Hon. Member mean she would prevent Lavalin and its group, its Canadian consortium, who are capable of breaking into the Bangkok market and who are capable of building surface rail transit systems— Is the Hon. Member saying to this Government: We are not going to support the efforts of Canadians, we are not going to let Canadians play a leadership role and apply their expertise to building surface rail transist systems in Thailand, New Delhi and throughout the world? Is that what she means? Does she want to prevent Canadians from exporting? I would appreciate some clarification.

Ms. Copps: Mr. Speaker, certainly not. However, the Conservative Party is giving most of its support to the capitalist system.

You are asking Canadians, and especially senior citizens, single mothers and the people of Prince Edward Island to make sacrifices, and you say you don't have enough money!

The Government has an obligation to choose, and if I were in the Government and I had to choose between giving an interest- free loan to Lavalin or supporting 1,000 workers who are unemployed because of the policies of this Government, I would prefer to give money and support to single parent families, the unemployed, and the people who need VIA Rail. It's a wonderful idea to go to Bangkok and work on a project. Nothing wrong with that. But if you truly support the capitalist system, why does the Government pay and not Lavalin? If a choice has to be made, and if we ask Canadians to make sacrifices, why don't we ask the companies to make the sacrifices and let them pay, if it's a good idea?

[*English*]

Mr. Althouse: Mr. Speaker, after having listened to the Minister of National Defence (Mr. McKnight) and some other cabinet Ministers today, I wonder if the Hon. Member for Hamilton East (Ms. Copps) would care to try to explain what we heard this afternoon. It seemed to me that the Minister of National Defence said that there was nothing in Prince Edward Island to protect. Was he trying to tell Canadians that the island is not worth defending or was he trying to tell Canadians that no one would want to attack it because no one would want it?

Ms. Copps: Mr. Speaker, I think the Minister was displaying his absolute ignorance of the life of the people of Prince Edward Island and the fact that he really does not care. The issue that was never referred to by the Minister is the issue of air surveillance of Eastern waters. Obviously we are being assaulted from all sides by over–fishing and the abuse of our 200–mile limit off eastern Canada. The people of P.E.I. know that better than anyone else. The Minister of National Defence (Mr. McKnight) did not care. He basically stated that, as far as he was concerned, and I think he made this comment once before in the House, he was not into regional development projects, or something of that nature. That is how he views Prince Edward Island. The sarcastic remarks the Minister made about the Premier of Prince Edward Island were in large measure due to the fact that they do not share a common political philosophy. That is why the activity of the Government has been vindictive. It has been directed in particular toward the people in those areas of the country who saw through the fraud of the Conservative Government. Now everyone does, because Members will have seen the Gallups.

• (1540)

The Acting Speaker (Mr. Paproski): On questions or comments the Hon. Member for Renfrew.

Mr. Hopkins: Since the Hon. Member for Hamilton East (Ms. Copps) has taken such a deep interest in Canada Post, I would like to ask her about the so-called surplus that Canada Post has shown. Does the Hon. Member agree that the surplus Canada Post is talking about is simply moneys left over because of lack of service provided to Canadians, cutting valuable service to Canadians in rural areas, and no development in urban areas?

Within Crown corporations, what is the incentive to even attempt to make money when the Government comes along, takes up what is left over, and uses it itself? What incentive is there for government agencies with this Government?

Ms. Copps: It is the ultimate shell game. It reminds me a little of the Minister of Finance (Mr. Wilson) who, every time we ask him a question in the House in relation to those people we should be defending by our government policy, and that is the poorest of the poor, states that the Government took 800,000 people off the tax rolls last year. The same Minister does not state that since the arrival of the Conservative Government in 1984, 1.5 million people have been put on the tax rolls who were not paying tax before. The Government has put 1.5 million people on the tax rolls who are earning $12,000, $13,000, or $14,000 a year who never paid taxes before, and then states that it will give those people back half of their money, and government Members beat their breasts about it.

Obviously, the shell game of Canada Post is being carried on by the Minister of Finance and by others in the Government. I am not surprised that they want to perpetrate this fraud on the people of Canada. As I mentioned, the recent Gallups will show the Conservatives at an all-time low in popularity. That is a reflection of the fact that the Canadian people finally have their number and will never be voting for them again.

Mr. Len Hopkins (Renfrew): Mr. Speaker, when I rose to speak on Bill C-11 at second reading on May 1, I opened my remarks by reminding Members that, in the first week of April, the Government ended its Throne Speech by stating: "May Divine Providence guide your deliberations." Since that day what we have seen from the Government will require a lot of divine guidance for us in order to continue to live with the Government for the next three and a half years.

We have heard the discussions with the Minister of Finance (Mr. Wilson) on the floor of the House and the Prime Minister (Mr. Mulroney) attempting to defend him. If this situation had taken place in Britain, there would have been no question about the route that things would have taken.

Today we are debating a borrowing Bill at third reading for more than $25 billion. During the election campaign last fall, members of the Government were going around the country bragging that they had the finances of the nation under control. The Prime Minister and the Minister of Finance were stating that they took on the challenge, solved it, we are on the right road and away we go. It was a real glory ride.

This winter, when the House was recalled, one of the first things we heard was that the country was facing a crisis, and our deficit was going to be bigger than expected. As a result, the national debt would continue to grow by leaps and bounds under this Government. This Government is still blaming a previous Government even though it succeeded in doubling the national debt since it took office less than five years ago. After nearly five years in office, the Government is still desperately attempting to blame someone else for not having been able to get its own act together.

Over the weekend we heard about the declining trade surplus between Canada and the United States. One does not need to have written a doctoral thesis to understand what is happening here. Months ago we told the Government what was going to happen to the softwood lumber industry in Canada when the then Minister for International Trade, the Hon. Pat Carney, slapped on a 15 per cent export tax which practically killed our softwood lumber trade with the United States. That gave the milling operations in the northern United States the opportunity to build up their mills, improve them, bring in greater production, and now they are selling under that 15 per cent protection brought on by this Government's 15 per cent penalty on our own softwood lumber industry.

The companies in the United States that we were beating into the ground as far as competition was concerned before the Memorandum of Understanding on softwood lumber, and before the free trade deal, we are now losing out to and not being able to sell our lumber. Lumber is piling up in the lumber yards of this country. There have been lay-offs across Ontario. The Government is wondering what is wrong. As far as our

trade surplus is concerned, lumber is one of the big sales that keeps our trade surplus in a healthy condition. Today, that has gone.

When the Memorandum of Understanding on softwood lumber was first introduced, there was a 71-cent dollar. Then the Government slapped a 15 per cent export tax on our own producers. Now the dollar is at 82 cents or 83 cents, therefore we have lost another 11 per cent or 12 per cent. The Government cannot deny responsibility for having high interest rates. I was present in the House in the early 1980s. I remember Ministers when they were in Opposition blaming the Government of the day for high interest rates in the early eighties that were as a result of world inflation and international pressures. However, today those Ministers state that it is not their fault. In the days when they were in Opposition, it was the fault of the Government. Therefore, if it was the Government's fault before, it is the Government's fault today that there is a high interest rate policy.

Those three issues have damaged the Government's surplus in trade, if it would only come to grips with it and admit a fact of life: high interest rates mean that our own industries cannot borrow money cheaply in order to upgrade facilities and compete; 15 per cent export tax on lumber; and the exchange rate on the Canadian-American dollars.

Today the Minister for International Trade (Mr. Crosbie) was once again giving the impression that everything was fine, that it certainly had nothing to do with the managerial ability of the Government that our trade surplus was declining. That is absolute balderdash. We know very well what is happening out there. The Minister for International Trade made a commitment that he was going to meet with the softwood lumber producers and come to grips with this issue and with the Memorandum of Understanding, as far as Ontario was concerned. Instead, he continues to blame the Ontario Government which was not consulted in late 1986 when the then Minister of Trade, now retired, was the one who agreed to the Memorandum of Understanding and overnight brought in that penalty on the lumber industry of this country.

The profits from Canada Post were mentioned a while ago. The Government states that Crown corporations must pay their way. Then when Crown corporations do pay their way, the Government robs the bank, runs away with the petty cash, and uses it for its own purposes. Where is the incentive in our Crown corporations to make money today except in their dedication which is still there to a very large degree?

• (1550)

The Minister of State for Privatization (Mr. McDermid) appeared before the legislative committee which studied Bill C-11. I want to make a point about that. We were sitting in a room in the West Block on Parliament Hill waiting to start the discussion on Bill C-11, this borrowing Bill, in which the Government proposes to borrow $25.6 billion. This is not a slap against the people who appeared. They were very senior and well-informed Public Servants who appeared before the committee. Surely, as I brought out at the meeting, on a Bill of this size there should be a Minister before the committee to whom to put the political questions. We know that we cannot put political questions to senior civil servants and expect them to reply. That is the accepted rule around this place.

The Minister finally appeared part way through the meeting and answered some political questions. However, for all the information we got out of him he might as well have stayed in his office. The Minister responsible for privatization denied the fact that even though the Government was borrowing money that at the same time it was actually transferring the liabilities of the national debt, the liabilities of running the Government, to the provinces. This means less money in transfer payments to the provinces. It passed the buck to the provincial level. What can the province do then? It has less money so it has to pass the buck on to the municipalities which come under its jurisdiction. Then the municipalities have the dirty work of cutting their programs when they live with their neighbours every day right down on home base in their own individual communities. It is either that or cutting down on programs at that level all together.

Another matter that was totally swept aside and not even discussed was the fact that in the recent Budget, $8 billion of the increase in taxes is coming from average individual Canadians while $1 billion of the increase is coming from corporate Canada. Yet the Government calls this fair taxation. It calls it a fair deal. That is the idea of fairness of this Government.

With respect to the complaints about VIA Rail the Government keeps saying: "There are parts of the country which cannot get along without transportation services and we are aware of that". The way the Government has been treating rural Canada and the regions of this country indicate that it does not understand anything about it. The Government's main interest is in the bottom line. Its aim is to cut the bottom line, forget about rural Canada and bring everybody into the cities. What will the Government do when it brings all these people into the cities? The Minister responsible for privatization said very clearly at the legislative committee that the federal Government has no right to be interfering in infrastructure services such as water and sewers for municipalities. He said that that is a provincial responsibility.

If we look at the United States today we see that the Americans have been living off their capital instead of their income. What has been the result? What has been the result of not looking after their cities? The result has been that major cities such as Detroit, Chicago, New York and so on have tremendous problems in terms of water and sewage services—all types of services for their municipalities. Their cities will cost multibillion dollars to repair because they have been let go. The states cannot afford it. Municipal Governments cannot afford it any more. National Governments are the ones which can tax almost anything to get these jobs done, pay grants and part of its share to the municipalities.

When we look at this Government today we see that, indeed, it has as a federal Government taxed nearly everything in Canada. That is probably the only role in which it has been doing well. It will continue to tax nearly everything in the country—every thing and everybody. Yet the Government says: "We are not going to touch the municipal services. They are not our responsibility". They are services that affect every Canadian in everyday life. They touch every Canadian's life. It is our responsibility as well as the provinces, the many municipalities and the people in the back streets, the concessions, roads and the main streets of Canada to ensure that our facilities are kept clean and up to date.

How can we talk in the House about environment being such a fantastically important issue today and do our job with the environment if we are going to forget the most important thing of all? I refer to the first-class health conditions of every Canadian citizen. Of course, if there is not good water and sewage systems, then there is not good community health conditions. There is no way that we should be trying to sneak away from that.

There are other matters which I wish to mention. One is deregulation. I spoke several times on the deregulation Bill in this House when it was presented by the Government. The Government is now in trouble with it. It brought in deregulation at a time when the United States was getting out of it. I was very interested in going home on the weekend one week ago. I picked up the local *Pembroke Observer* and saw an editorial which rather warmed my heart. It is dated June 10 and the headline reads: "Air Deregulation Disaster, O'Brien Says". The article states:

> Deregulation of the airline industry has had a major negative impact on small carriers, says Del O'Brien.
>
> The President of Pem-Air, a local airline, he was a member of a group that spoke strongly against deregulation when the federal Government announced it would bring in the necessary legislation.
>
> In a speech to the Pembroke Kiwanis Club this week Mr. O'Brien said deregulation has led to a monopoly position for two major carriers and to poorer service for Canadians.
>
> Prior to deregulation major airlines handled about 76 per cent of the traffic, now two carriers control 96 per cent.

We told the Government that that is what would happen under that deregulation Bill on transportation.

Who is Del O'Brien who spoke to the Kiwanis Club in Pembroke on the deregulation of the air industry? Del O'Brien is the Conservative candidate who ran against me in 1968. At that time he was president of the Young Progressive Conservatives in Canada. He ran against me in 1974. He came to Ottawa and advised the Government what it should be doing, that it should not be going into deregulation. The Government ignored his representations as a good Conservative candidate. He was a good Conservative candidate to run against. The Government is not even listening to its own people. It goes ahead in its bull-headed way and brings something in anyway. We can see where the private, small entrepreneur trying to run an airline in the country is really behind the eight ball.

> The result of this monopoly is that all regular fairs are almost exactly the same, there is only one reservation system, controlled by the big

boys, Air Canada and PWA Corp. which owns Canadian Airlines International and Wardair, and, warned Mr. O'Brien, we should all be concerned about the safety of air flight under deregulation.

There are a wide variety of concerns under deregulation and one of them is air service in the north. While the big carriers are choking off competition, small airlines, many of which provide important rescue flights, are being either put out of business or moving to Toronto where the action is.

As a result air service to smaller centres in northern Ontario, and other provinces, is being reduced or even cancelled.

So much for deregulation. That is a very strong message from one of the Government's own supporters and candidates.

• (1600)

In closing, I would be remiss if I did not put this caveat in my speech, as I always do. The Minister of Energy, Mines and Resources (Mr. Epp), in a letter to employees of Atomic Energy Canada Limited, said:

—let me state clearly that the federal government fully supports the Canadian nuclear program.

On page 1 he said:

The sources for continuing the necessary level of research and development funding are uncertain.

If AECL does not bring in a report to show how it will make money, the Government will not loan it any. At the same time, the Government is selling off its assets and good work in the form of two Crown corporations under Bill C–13, which I will speak against.

Mr. Hovdebo: Mr. Speaker, one of the most chilling aspects of the Government's Budget and this borrowing Bill is that it has put itself in a position where it must borrow. While it is making the largest tax grab we have seen in this country, it will still have a $30 billion deficit. Furthermore, it is eliminating many of the services we have come to expect in Canada.

During the last three years, over 1,000 foreign and domestic companies changed hands in Canada. Foreign ownership and control in Canada is the greatest of any industrialized country in the world. We also have the highest concentration of corporate power, with approximately 1 per cent of the top enterprises in Canada controlling almost 80 per cent of the shares of the 300 largest companies.

In light of this huge merger mania that seems to be happening, if the Hon. Member's Party was in Government would it implement a policy to tax the merger of corporations or any type of acquisition that would not benefit Canada or provide jobs for Canadians?

Mr. Hopkins: I thank the Hon. Member for his question. He is a very valued Member of our Public Accounts Committee and is very interested in these matters. I agree with his statement about the tax grab by the Government. I said in my speech that $8 billion of the tax increases in the recent Budget have come from individual Canadians while only $1 billion in tax increases come from corporations in this country.

I am reminded of the time when the Hon. Sinclair Stevens stood up in the House to say that he was supporting the Mitel workers. He asked why we were criticizing him when he was supporting the Mitel workers.

Of course, we know how the Government supported the Mitel workers. It sold the company to a British firm, an example of what the Hon. Member talked about, and one of the first things it did was to go into my riding in Renfrew and close down the $30 million Mitel plant and lay off over 500 workers. That is an example of corporate conglomerates destroying small town Canada.

The Hon. Member mentioned the amalgamation of firms in Canada. Those companies know they have a free hand to do so under the Government because the Government encourages big business. It does not matter how large a corporation would like to get, it is encouraged to grow larger no matter what stands in its way. That is the Tory philosophy.

This was the trend in the United States during the late 1800s, which continued until Franklin Roosevelt put restrictions on major corporations. He was accused of being a Communist for doing so, but the fact is that governments must act in the best interests of the people. When big corporations and finances begin tramping over individuals, if the Government has any heart it will prevent that from happening. One way to control such corporations is with tax leverage.

If one does not have the heart to tax big corporations and would rather slap a major part of the tax on the rank and file Canadian, one would have to be in the present Government because that is what it is doing.

In order to have a fair tax system, it is necessary to tax the corporations. Only then will there be some equity in society.

The Government has the authority to impose regulations when big corporations get out of control, and certainly, with federal-provincial co-operation, that must be done in the best interests of the country when it is required.

[*Translation*]

Mr. Gilles Rocheleau (Hull—Aylmer): Mr. Speaker, Bill C-11 is a bill which, in short, allows the Government to borrow up to $24.8 billion. It is worrisome, Mr. Speaker, to authorize the Government to borrow such amounts when we see how the Conservative Government is managing now.

Mr. Speaker, in recent months, I have noted some problem areas that cause Canadians concern—great concern. Allow me, Mr. Speaker, to relate some of these problems that are now surfacing and that cause us real concern.

I am pleased to note that the Minister of State for Finance (Mr. Loiselle) is here. I hope that he will be able to make some recommendations to his Government.

Mr. Speaker, just a few weeks ago, the Government was looking for about $500,000 to complete the fountains at the Canadian Museum of Civilization in my riding of Hull—Aylmer.

We must remember, Mr. Speaker, that this contract was awarded by the Government of Canada in late 1983 or early 1984. The Canadian Museum of Civilization was to cost approximately $90 million, according to estimates at the time. From the figures and estimates that we have today, Mr. Speaker, we learn that the Museum of Civilization will cost nearly $300 million, which is more that three times the estimates the Government agreed to in 1983.

What is worse, Mr. Speaker, is that after building this magnificent structure that was to open at the end of June, they had fountains installed at a cost of $5 million. Only a few days ago, Mr. Speaker, we heard that unfortunately, the fountains facing Laurier Street will not be operational when the Canadian Museum of Civilization is opened, because apparently, the Government has no money left to finish its museum project and is now asking, not the City of Hull but private companies to pay the cost of finishing the fountains.

• (1610)

Mr. Speaker, I think it is absurd that in order to finish a museum of this stature, the Government uses money from private companies without first calling for tenders.

I think there are some very serious questions that should be asked, and I think this warrants some serious discussion. I hope that my fellow Members, especially Members opposite from Québec, will pay special attention to an item that appeared in the Budget of the Minister of Finance (Mr. Wilson) in April which concerns among other things the Transport Canada building. The issue has been brought up a number of times, Mr. Speaker, and I think we have given it a great deal of thought. Just a few weeks ago, a parliamentary committee asked the Minister of Public Works (Mr. Mazankowski) about this question.

Once again, I would like to draw the attention of the Government to its spending on Public Works. The Government claimed capital costs totalling $200 million on page 26 of the Budget of the Minister of Finance, and I have to tell the Government that is just not true. There is no capital cost involved in construction or eventual construction for Transport Canada, for which the federal Government had called tenders and had received them in December 1988. We know, Mr. Speaker, as the Minister of Public Works told us last week, that the lowest tender was $234 per square metre. All it takes is a pencil to figure it out, but if you find a saving in the construction cost for the Transport Canada building, I apologize to the House.

However, the Minister of Public Works informed us that his Government has decided to stay at Place de Ville in the Campeau building, at a cost of $315 per square metre, as of 1992, for a period of seven years, while the lowest tender was $234 per square metre, which is $81 per square metre less, or $7 million less per year. And when we consider that to stay in Place de Ville, the Government must be prepared to pay the full cost of removing asbestos panels, more than $50 million, plus the cost of repairing the heating system and other costs that may exceed $60 million. When that kind of licence is given, Mr. Speaker, I think the Official Opposition has reason to be concerned and, in fact, has a duty to be

concerned on behalf of the Canadian people, when it sees this kind of poor management.

Mr. Speaker, these are just a few of the points I wanted to raise today, when we are being asked to approve a bill that would allow the Government to borrow $24.8 billion. If that is how the Government spends taxpayers' money, I think we are entitled to ask some serious questions, and I think the Official Opposition will certainly vote against this Bill.

Mr. Speaker, I could go on with some of the other problems that we are having with the investment of funds in public works and also in transportation. In the Outaouais, there is Highway 50 from Masson to Lachute. The National Capital Commission, through the Department of Public Works, had agreed to pay a major part of the cost of the road network in the Outaouais within it's jurisdiction. On the other hand, the previous federal government, as part of regional development spending, had agreed to pay part of the cost of the highway network, more specifically, of Highway 50 from Masson to Lachute and on to Mirabel via Highway 13, Mr. Speaker, and as I said, this was for the purposes of regional and also, of course, economic development.

Here again, the Government of Québec has committed itself several times, and recently, the Minister of Transport, Marc-Yvan Côté, said that the Government of Québec would agree to pay for Highway 50 from Masson to Lachute provided the federal Government contributed substantial financial assistance. I have referred to it several times in this House, Mr. Speaker. I made several requests to the Minister of Transport for him to include it in the next federal-provincial economic development agreement. I trust that the Minister of Transport of Canada and the Minister of Transport of Québec will be able to agree to include this important highway on the Québec side of the Ottawa River joining the Outaouais to downtown Montreal. So I think that it is a very important consideration, and again, when I see such huge amounts as $24.8 billion, I would hope that the Minister of Finance could find a few cents, a few hundred thousand dollars, if not a few million, to complete the work that they have already began in past years on the Québec side of the Ottawa River.

Mr. Speaker, we were still talking about it at noon today, and I am rather concerned that, as the Minister of Transport was telling us again today, he was still waiting for a report from VIA Rail before he would know exactly what would happen to VIA Rail. I must tell you, Mr. Speaker, that today we had the mayors of large Canadian cities, including Québec City, Windsor and some in Ontario. And it worries me when the Minister of Transport tells us that we are waiting for the report before the Government can deal with the issue and give the necessary authorizations or leave it to a fate that may be even worse than expected. I think that it is increasingly important to take account of a system that may be very expensive today when the investments that must be made in it are considered but that I think is still a system that should in future cost us less probably and be used more than it is today. It comes down to promoting it and knowing what you want to do with it! I think that our VIA Rail system at present is deficient and outdated and major investments will be needed if we want to improve it.

• (1620)

Mr. Speaker, I conclude with that and say to you that yes, I am certainly concerned about the way the present Government spends Canadians' money. I am even more surprised, Mr. Speaker, when we are told every day, and again today, in advertising paid for by the Government that Canadians have to tighten their belts because the deficit is around $30 billion and the debt is approaching $400 billion.

But when we see how the Government manages Canadians' money, we can be even more concerned about the management we are getting now.

I would hope, since we are at the beginning of a term—it is just a few months old—that the promises made to us, made to Canadians during the election campaign, will not all be set aside and that we won't be victims of such a striking example of Alzheimer's disease; that this Government won't forget everything that it promised now that the elections are over and that we won't see such drastic cuts in such important things as social services and unemployment insurance.

[*English*]

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, I am very honoured to rise to speak in this particular debate. We have had five years of unprecedented increases in tax revenues. This should have resulted in balanced budgets. However, government debt has risen to more than 90 per cent of the Gross Domestic Product. Canadians believed that the Government's budget would naturally cut government spending, but what we have seen in this Budget is the same old thing. In order to maintain prosperity and influence for themselves and their friends they have

chosen to continue borrowing beyond their capacity and are making ordinary Canadians pay the bill.

Economists are saying that the Budget brings the worst of both worlds, that Government spending cuts are so weak that the deficit will actually be worse this year and there will only be a marginal reduction next year. Trying to reduce the deficit by sharply increasing taxes will increase inflation and slow growth. This will leave little room to reduce interest rates. Excuse the cliché, Mr. Speaker, because I mean it in the literal sense, but who in the world is going to have confidence in Canada now, in our dollar, in our fiscal policy, in our commitments?

Economists also say that the Government's forecast for 3 per cent growth is optimistic, that it will not be met this year and next year it will drop to 1.7 per cent. For every percentage that growth goes down, unemployment goes up, so next year is the big story and what will the Canadian public deduce when unemployment goes up over 8 per cent and interest rates go up and the deficit target cannot be met? What a loss of confidence and trust in a government responsible for the social and financial welfare of all Canadians, not only a select few.

Lack of confidence in the Canadian dollar is one thing, but it is the massive cut in foreign aid that sends the wrong message to the world that Canada does not care. Those of us on this side of the House do care and we say that if the Government wants to cut spending it should have tightened its own purse strings and not toughened its assistance to the world's hungry citizens. There was no conscience present when $360 million was cut from foreign aid. Foreign aid should have gone up 6 per cent with inflation, not cut.

Only half of the 28 government departments are even cutting staff, the rest are all hiring. The reduction of staff is half of 1 per cent. I bet the Public Service is laughing as a lot of people consider this spending to be a joke. It is really hypocritical that only four of the 28 government departments are actually planning to spend less this year than last. The Finance Minister's own Department has manoeuvred a whopping 20 per cent increase for this year.

While the Deputy Prime Minister (Mr. Mazankowski) is cutting aid to farmers in agriculture, the Department will enjoy a 21 per cent increase. So much for a government that was allegedly worrying about big bureaucracy.

So what is this Budget all about? Let's talk about universality. The Government has eroded social programs. It has cashed in its portion of unemployment insurance for $2.9 billion. This affects all Canadians. This Budget destroys the principle of universality. The threshold of $50,000 for taxing back Old Age Security might be the magic number for today, but what about tomorrow when inflation eats away and the threshold becomes $40,000 and middle-income families will once again be paying the tab for the Tory grab.

The other universal income support program which has been abandoned is the family allowance. By 1991, with indexing included, a total of $800 million will be removed from the family allowance program. I would like to know why the Government would give a cheque to a Canadian if there is no benefit. The Minister of Finance (Mr. Wilson) says he has not denied access, and he is right, but he has denied benefit by his claw-back scheme and that is what has been ruined by his tactics. There is no more equal benefit and equal access for all Canadians. These measures are the thin edge of the wedge. Today it is the semi-rich who are affected but tomorrow it could be everyone.

The Tories have cropped regional development assistance and in the Northwest Territories they have not even considered an agency or a program to develop the northern economy. We are not part of the western diversification or any other agency. For three years northerners have been waiting for the Government to take some action, or at least to give some consideration to economic development in the north. More and more the Government is dividing this country. The gap is growing between the have and the have-not regions. The tax measures which hit those on the poverty line hardest put big business people ahead of Canada's most valuable resource.

I am sure you are aware, Mr. Speaker, of the oil and gas development that has been taking place in the Mackenzie Valley and Delta and offshore in the Beaufort Sea since the first quarter of the century. The Canadian Arctic has potential to make Canada energy

self-sufficient. Some of the most technically advanced icebreakers and drilling units in the world are working in the Beaufort Sea operated by Canadians and Canadian companies. The Canadian north is obviously contributing to technical and resource development. When will the Government address a foreign policy which includes the Arctic's contribution to the world and not what our allies can do for Canadians in the North.

Northerners are insulted by the Government's ignorance and its stance that since it cannot afford nuclear submarines our allies will have to maintain Canada's sovereignty in the Arctic. Northerners feel that establishing a political, social and economic presence achieved by northern self-alliance and full northern participation in making economic and political decisions is as important as this military presence. A fraction of the money to be spent on assuring sovereignty through military means would help build the transportation network needed for our economic well-being. As well as sovereignty, Canada would gain a strong and viable northern territory and access to the land's rich resources. This Canadian investment in the future, added to advances in our status as a partner in Canada, would give northerners a chance to take part in and benefit fully from our country's economic and political life.

I want to elaborate on how this Budget is going to affect northerners residing in the Western Arctic. The federal Budget has failed to come close to solving our debt problems but Canadians, especially northerners, will be paying the price for the slapshot attempt of the Minister of Finance.

• (1630)

The North is rich in natural resources but the economy remains poorly integrated. Diversification has been confined to the development of service businesses which are primarily dependent on government. Unemployment rates reach 50 per cent or more in many isolated and predominantly native western Arctic communities.

I want to indicate to the House that when the Government presented the new Labour Force Development Strategy, that documentation did not even provide the unemployment statistics for the Northwest Territories. It was left completely blank. I requested that the Department rectify this error and at least provide information on the unemployed. However, 20 days later, and maybe 30 by now, I still have not received anything from that ministry.

It is exactly this type of typical Tory blunder which makes me extremely concerned about what the Government's agenda is for Canada's North. Does it even care that it has completely overlooked the fact that in communities which are part of over one-third of Canada's total area, that there are unemployment rates which are as high as 50 per cent, 60 per cent, 70 per cent, 80 per cent and 90 per cent. How will the new unemployment insurance plan help these people?

Since the Government obviously overlooked the part of Canada north of the 60th parallel when the Budget was being prepared, let me tell the Members opposite what the North is about and how this Budget is going to have crippling effects on people who bear the burden of this country's highest cost of living. I am sure that the Member for Nunatsiaq (Mr. Anawak) will be agreeable if I talk about the whole of the Northwest Territories for a moment.

The Northwest Territories covers an area of 3.3 million square kilometres. It constitutes roughly one-third of Canada's land mass. The territory is located above the 60th parallel, a location which poses some severe economic constraints, including remoteness from prime North American markets, long winters and higher utility, transportation, communication and other costs. Added to these are small, scattered populations, as well as low education levels for a large part of the population.

Over-all, the economy is poorly integrated. Linkages among industries are weak. Diversification has been largely limited to the development of service businesses which depend on government, primarily, as well as large industry. Apart from minerals and hydrocarbons, very little is exported from the NWT. Mineral concentrates and ores are shipped out for further processing. Manufacturing is confined, for the most part, to cottage industries producing artistic goods for small local markets and limited export.

The Government's Budget is going to be disproportionately tougher on northerners than most residents in the provinces. No consideration was given to northern Canadians—which is of no surprise from this Government—who already pay the highest cost for all goods and services in the whole country.

The Northwest Territories' economy is best viewed as two quite distinct economies. Most of the non-native population live in major centres whose economies are dominated by government or resource extraction activities. Average incomes are typically very high. Unemployment is very low. Those northerners will be adversely affected by the additional personal income tax and tax on old age pensions and family allowances, even though their cost of living is about 40 per cent higher than families of the same income living in Edmonton, for instance.

Conversely, most of the 30,500 people of Inuit, Dene or Métis ancestry, almost 60 per cent of the total population, live in small, widely scattered villages where Government transfer payments and traditional harvesting activities dominate a fragile economic base and where there are few prospects for growth. Average incomes are generally low, unemployment high and social assistance a fact of everyday life.

Unemployment rates reach 50 per cent or more in some of these communities and can no longer be readily dismissed as a native preference for traditional non-wage pursuits. Hunting, fishing and trapping as a full-time occupation, even when possible, is no longer preferred by most native young people who are fast comprising the majority of the population, if only because they cannot earn sufficient income to purchase the material goods the modern economy provides. The new unemployment insurance scheme will negatively affect most of the residents of these native communities. Hunters and trappers will be hit by higher fuel costs.

Before this Budget, the western Arctic economy as a whole appeared to be emerging from a cooling off period after the boom of the early 1980s. This modest growth will quickly come to an abrupt halt as this Government's claw-back initiatives are felt.

The new telecommunication tax affects the western Arctic residents proportionately more than residents of the rest of Canada. Communication and transportation are the two most critical services northerners depend on. Both programs are going to be taxed beyond northerners limits to meet the multitude of increases this Budget demands.

The massive cut to the Canadian Broadcasting Corporation is sure to mean cuts in northern programming. People in the North depend on radio for vital information for their safety and in many cases for their survival. Whether people are on the land, in their camps, on the trap line or driving on a remote highway, they have a radio because they need to know the weather conditions, the thickness of the ice, the current of a river, the state of the road and the temperature. Communication is not a luxury for northerners. It is an essential service, a necessity for survival. When many of the communities depend on winter roads which depend on the thickness of the ice, it is a matter of safety.

The Secretary of State (Indian Affairs and Northern Development) (Ms. Campbell) did not stop with native communication. There have been cuts and reductions. There has not been any growth in the budgets that have been granted to the native communications for radio services to many of the native communities.

As far as transportation is concerned, it is the other crucial service to northerners. I have already said the land mass is about three and one-half million square kilometres.

This Budget's increase on airport taxes, aviation gasoline and fuel excise tax is going to cost northerners more than any other Canadians. Those of us who have lived in the western Arctic and who have strived to develop our resources, and realize its full potential, it is the development of the transportation systems which will open the North and give many communities a chance for fuller participation in the territorial economy.

The lack of adequate roads, airports, docks and harbours handicaps our economic growth. A better transportation system will create opportunities for mining, tourism, fishing, trade and travel between communities. Building, operating and maintaining new transportation routes and facilities will create jobs for years to come.

However, this Budget not only increases transportation for businesses and consumer costs but literally puts on the shelf future investment in transportation infrastructure. The expansion of the North's economy will be additionally crippled by the monstrous burdens which have been placed on small businesses.

Small business is the core to development. Small business is now strapped with having to pay more taxes, higher premiums for unemployment insurance, increased construction, transportation, utility, energy and inflation costs, as well as being at risk from high interest

rates. This is all at a time when consumers are going to have less money to spend.

Other taxes will hit hard the northerners' pocket books: The federal sales tax increases to 13.5 per cent. We have tax increases on construction materials, telephone calls, cablevision, cigarettes, alcohol and on surtaxes for income.

Hunters and trappers in the North are hurt by the Government's elimination of the rebate on gasoline and the increase in the gasoline tax. As well, the North's taxpayers will benefit less from the enhanced sales tax credit, the only real tax reduction in the Budget.

These measures will have a disproportionate affect on the Northwest Territories residents. Since incomes are higher in the North to compensate for higher prices, there is a larger proportion of high income earners among the North's taxpayers.

We hear a lot from this Government about regional development and the role that the Atlantic Opportunities Agency, the Western Diversification Program and other agencies play in the regional economies. However, again, the North has been excluded. We do not belong to any agency or any plan which will directly assist with small business and economic development.

This Government has cut regional development assistance, and I cannot tell residents of the western Arctic whether they are affected or not.

Those agencies have been operating since 1987 and the North still has not been advised as to where we fit in. We are not asking for hand-outs, but we thought it was the Government's role to provide at least a foundation for the growth of individuals and businesses and to foster a climate which would encourage that growth. The climate which this Government is creating in the North is a climate of gloom. If you think this Budget restricts the development of the North's economic resources, that is a mistake, because it also inhibits the development of its most valuable resource, its people.

• (1640)

Mr. Comuzzi: My question is for my friend and colleague from Western Arctic. Before posing a question, let me just mention to my colleague how important it is that she forms part of our group. Since we have been acquainted in this House, I as one Canadian have had the opportunity and privilege to learn through our friend from the Western Arctic about the lifestyle, tribulations and the ways of life of the people who live in the Western Arctic.

Because of my friend's in depth knowledge of the people whom she represents, she has come to this House and to our group, in particular, and told us on a regular basis about the areas of concern to the people in the Arctic and their hopes. This is within the framework of Canadian unity and democracy and within our love for the whole of Canada she has brought to us a perspective that I and many of my colleagues have not had the opportunity to appreciate or to fathom.

I am particularly interested in two areas. One is the area of universality and how it affects our social programs, programs for seniors, health care and the concept of these programs on all Canadians and on the people in Western Arctic.

Second is that of natural resources which the Western Arctic has in abundance and which only need to be developed.

I recall hearing a presentation from the Hon. Member for Western Arctic (Ms. Blondin) about our natural gas resources in that area. Perhaps she can tell us what she foresees as the future development for them and how they can be used for the rest of Canada and export.

Ms. Blondin: Mr. Speaker, with regard to universality, the Western Arctic is an area of high unemployment and high seasonal employment. Eligibility for the unemployment insurance program is an absolute necessity in that it basically accommodates the northern peoples. Because of the high unemployment rate many people could not afford to pay for their own medicare. Then there are social assistance programs. In many communities, because of the growing seasons and extraordinarily high cost of living, the northern peoples cannot afford to lose any of the social network programs.

As for the resource development area, the Northwest Territories has gone through a series of boom and bust development. One was with the exploration in the Beaufort Sea in the 1970s and 1980s. An application has been put forward to the National Energy Board for a gas export permit. Many considerations have to be given to this. One is to weigh the economic benefit and the impact on the environment. Also, the territorial government has grown and matured. A Northern Accord has been devised enabling the territorial government to share in the management and revenues of any major development project.

The problem with major development programs besides the socio-economic impact is the fact that we northerners have a very high rate of illiteracy and we do not have the trained personnel or the training necessary to work in the best paid positions in a resource development megaproject.

We are working in a number of areas such as training. Another is the completion of the Northern Accord. The North is presently going through a situation where the Dene and Métis have an agreement in principle, are looking at selecting lands perhaps right in the corridor where the gas pipeline is to be built. So, there are a number of areas of consideration before an absolute resource development strategy is proposed and accepted by all northerners.

Mr. Harvard: Mr. Speaker, I will try to be short. I deeply appreciate the remarks made by my colleague from Western Arctic. I have often listened to her since my arrival in the House and she always makes good sense.

I have had the pleasure in the past of visiting the Northwest Territories. When I go there, I am always struck by the beauty of the area and the vitality and friendliness of the people of that area. I would like to go back again. In fact, there is a possibility I may go this summer.

I want to make reference to a couple of points my colleague made in her remarks. One had to do with the high rate of unemployment. In some areas she mentioned that it runs from 60 per cent to 70 per cent to 80 per cent and to 90 per cent. I think those of us who live in the south and in the relatively affluent areas of the south find it difficult to relate to high unemployment figures of that kind unless you are familiar with some of the unemployment rates on Indian reserves here in the south.

The Hon. Member also mentioned the problems at the CBC, the cut-backs and what they might do to service in the North. I also want to point out that when I visited the North, I noticed the high cost of living. A quart of milk may cost $5, which is extraordinary. When you consider unemployment and the high cost of living on one side and on the other side the Government pulling out of the market-place and cutting back on services, what is the future for the North under this Government?

Ms. Blondin: Mr. Speaker, the high unemployment in the North results from a high incidence of illiteracy and untrained and uneducated people. It also stems from the fact that there is not an industrial strategy for the North whereby jobs are provided by having businesses in small communities. There is not that sort of strategy in the North and that is being dealt with by the Government of the Northwest Territories. The mobility factor comes into play when young people cannot finish their education and work in their communities because there are not the kinds of jobs for which they are trained.

The other factor that has been mentioned is the cuts in CBC programming. Throughout the history of the North, before it had a telephone system, there was a reliance in the remote communities on the CBC for information. An historical dependence has developed on CBC for communications and news which has to reach the communities.

• (1650)

This Budget will be very tough on the people of the North. It will be very difficult having a tax on everything with the already high cost of living in the North. With the high cost of construction material, rents will skyrocket. The taxes will go on things that already cost a great deal, including groceries. Generally, the people of the North have very large families and the Budget will have a direct impact on not just the communities and businesses but on the northern families as well.

Mr. Waddell: Mr. Speaker, with respect to the new proposed McKenzie Valley pipeline, the Hon. Member will be aware that Nellie Cournoyer who, 15 years ago, opposed the construction of such a pipeline before the Berger inquiry, is now in favour of it. Maude Barlow of the Council of Canadians has said that she is against it. In one or two sentences, can the Hon. Member tell me

what her position is? Is she for or against the new proposal?

Ms. Blondin: Mr. Speaker, my position on this is somewhat burdened by a number of considerations, including considerations about the completion of the Northern Accord and the completion of Dene–Métis claims. Mr. Justice Thomas Berger in fact stated on April 18 or thereabouts at a True North Strong and Free Conference that the northerners have to decide for themselves whether they want this project or not. Perhaps 10 years ago, the people of the North needed someone like Mr. Justice Thomas Berger, but I think it is up to northerners to decide now.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, it is with a sense of gratitude to the Senate that we are having this debate. The Senate, in its determined fight in defence of parliamentary traditions and the parliamentary institution, last month reminded the Government of its obligation to come to Parliament when it needs to borrow funds. The Senate made a well–presented argument, an argument which has registered with the Government in more than one respect.

The Government is coming to the House seeking the authority to borrow with dirty hands, and perhaps one might even say with hands which are dripping with mud, particularly in environmental terms. The Government has contradicted itself on the environment and on sustainable development in so many ways that it is not fun any more.

Let us begin this brief analysis with the Speech from the Throne. One of the Government's main themes hinges on sustainable development which will be adopted as a policy thrust in the life of this session. A few weeks after the debate on the Speech from the Throne, the Minister of Finance (Mr. Wilson) came into the House with a Budget and stated that we will move ahead with important economic initiatives, including action to ensure that economic development occurs in an environmentally sound way. These are the key words of the Minister of Finance who had evidently read the Speech from the Throne and was determined to implement the spirit of the Speech from the Throne.

What has the Minister done since then? He promptly announced the closing of 12 conservation and renewable energy regional offices. As if that were not enough, he phased out the National Conservation and Alternative Energy Initiative program. As if that were not enough, he cut transfer payments to the provinces by some $340 million, possibly endangering reforestation and other joint environmental ventures.

As of today, up to six provinces are waiting for the renewal of their forestry agreements with Ottawa. Among them are Quebec, Ontario and British Columbia. As if that were not enough, having cut transfer payments to the provinces by over $300 million, the Minister cut $396 million from overseas development assistance, something which may also affect environmental programs abroad.

These measures scream out to heaven in their contrast with the proclaimed commitment of the Government to environmentally sustainable development, both in the Speech from the Throne and in the introductory speech made by the Minister of Finance in conjunction with the presentation of the Budget.

As if that were not enough, the Minister presented a document which ignored any form of tax measures, removal of tax impediments or introduction of tax incentives that would facilitate the process of embarking on this environmentally sustainable development proclaimed by the Government in the Speech from the Throne, in the Minister's introductory remarks and last year at the United Nations by the Prime Minister (Mr. Mulroney). When we looked through the Budget, we did not find any tax measures to improve accelerated capital depreciation allowances for pollution control equipment and machinery. We looked for tax incentives for industry to recycle. We looked for tax exemptions for energy efficiency. We looked for tax exemptions for conservation products and the like. We found none of them.

Having gone through that exercise, we said to ourselves that maybe the regime for cutting the deficit is so massive that it has been applied across the board in a savage manner affecting everyone and every sector and interest. We looked for an announcement that would indicate the Government's determination to find the $5 billion tied up with energy megaprojects. Do you think, Mr. Speaker, that we could find any reference to energy megaprojects in the Budget? We could not find one word

about it. There are, as Hon. Members know, $5 billion tied up in the Oslo and Lloydminister projects as well as others. The application of the Budget in a selective manner which ignores the basic commitment to sustainable development is mind-boggling.

We all know that we are running out of time in relation to the question of climate warming. The scientific community is clearly on record indicating to us that we have to change trends and slow down the process of climate warming. The long-term cost of this trend is such that it requires action. Yet, having embraced the buzz-words, the Government seems unable to come to grips with the substance. The substance means abandoning the energy megaprojects because they will increase our dependence on fossil fuels in the next decades rather than decrease it.

• (1700)

It is inevitable that we have to concentrate on energy because of the intimate relationship between the environment, sustainable development and energy policies. It is quite interesting and revealing to read what the Solar Energy Society of Canada wrote in early May by noting the following:

> Since the September cutbacks EMR officials have also been telling renewable energy firms seeking R & D funding to apply to the Unsolicited Proposals Program.

Do you know what happened to the Unsolicited Proposals Program, Mr. Speaker? It has been cancelled. It was the avenue for a number of Canadian firms, entrepreneurs and researchers to develop certain technologies in the field of renewable sources of energy. It has gone. So much for the commitment of the Government to sustainable development in environmental terms.

The Solar Energy Society asks:

> Is the government deliberately trying to destroy the conservation and renewable energy industry? Why were energy "boondoggle" megaprojects, such as Hibernia, not cut?

That was not stated by the Official Opposition. That is a society in Winnipeg. It goes on to state:

> Mr. Wilson refers to our children and future generations nine times in his budget speech.

What a record. We congratulate him. The letter further states:

> He also says that Canadians want a Canada able to meet priorities such as—the protection of the environment.

No wonder. The letter further states:

> Until the Government stops paying lip service to conservation and renewable energy, environmental degradation will continue.

The letter concludes by stating:

> Please raise our concerns in the House of Commons.

That is what we are doing today.

At the beginning of my speech I referred to the cuts of some $396 million to overseas development assistance. It is worth while to put on the record what Oxfam Canada wrote about it, in its own words, so they are not being interpreted as the fiction, the imagination, or interpretation on the part of the Opposition. This letter dated May 5 states:

> The recently announced Budget provokes considerable concern in our organization. The sharp changing funding for Canadian foreign aid means added hardship for the world's poor, and significant abandonment of Canada's promise and obligations with partners overseas.
>
> The overall approach of the Budget brings home to Canada and Canadians the sorts of "structural adjustment" policies which currently lead to mass suffering in many of the nations where our aid dollars are used.

This situation is not unknown to the Government of Canada or to parliamentarians. We note the recent declaration of parliamentarians from the G-10 countries, the ones who met in Amsterdam at the end of March, Mr. Speaker, drew attention to the urgent need for that reduction, and new concessional financing stating that while international and financial crises are currently avoided, the fundamental flaws are that the costs have been borne by the debtors causing general deterioration or stagnation and growing impoverishment for large segments of the population.

In this context, the deep cuts to official development assistance are significant in magnitude, disproportionate in share and objectionable in effect. Foreign aid is the only one of seven major areas of government spending which will actually have less money in 1989-90 than the last fiscal year.

I ask you to reflect on those comments, Mr. Speaker. A closer look at the Budget figures reveals that the over-all loss is compounded by a redistribution of funds away from direct help. Listen to this, Mr. Speaker, this is a beautiful one. The biggest increase in funds is to go to administration which will increase more than $100 million. Much of this increase is disguised by the transfer of funds to the budget of External Affairs to pay for the

decentralization of CIDA staff. The same argument applies for other Budget increase items including public outreach and industrial co-operation.

The question asked at this point is, why should public relations, as distinct from ongoing development education, be increased while support for overseas projects is reduced? It is a good question. Why should industrial corporations whose benefit is arguably more oriented to Canadian business and middle-income countries be increased when people-to-people community-level aid is held static or reduced? This is a very distressing analysis by Oxfam Canada which is recommended reading for every parliamentarian.

I mentioned already what will happen to the national conservation and alternative energy initiative and conservation and renewable energy offices. They will be reduced by $8 million in 1989-90. The program is phased out, as scheduled, by the end of 1990-91. That is it, Mr. Speaker, so much for the commitment of the Progressive Conservative Government to conservation and alternative energy initiative. "Rest In Peace", is what can be written, unfortunately, on that tombstone. It is also interesting to inject in this debate the social consequences, and I will do so briefly. The Canadian Council on Social Development, in a one-page analysis, has one paragraph which merits repeating:

> The federal budget does nothing to alleviate the poverty suffered by more than 2 million Canadian households—
>
> As a result of this budget, a minimum wage worker making $10,000 per year will pay about $100 per year more in consumption taxes—

That is, Mr. Speaker, federal sales tax and others.

> —$25 per year more in U.I. premiums and $12 per year more for the income surtax—

Then we come to the analysis offered by the North-South Institute which, in a way, complements what Oxfam Canada has written on the subject. Here we find that the cuts in overseas development aid by $1.8 billion over five years are much larger and longer than earlier figures mentioned in the media, that of $800 million over three years. It is over five years and it is $8 billion.

• (1710)

The 1989-90 aid budget, despite only accounting for less than 3 per cent of government spending, is one of the smallest envelopes, which nonetheless bears a major part of the Government's spending cuts. The $360 million aid cut will cover 23 per cent of the Government's spending reductions of $1.5 billion in 1989-90.

You are pointing to me, Mr. Speaker, that my time is running out. Therefore I will conclude.

It seems to me that in coming to Parliament and seeking this borrowing authority the Government has to be consistent with itself. It has to prove to the Canadian public that its long-term plans and policies as expressed in the Speech from the Throne, which is basically a blueprint of the Government's intentions, are being carried out. That is the reason why we looked at the substance of the speech of the Minister of Finance to see how the Government would be tackling the question of implementing the sustainable development which was so highlighted in the Speech from the Throne. That is a legitimate expectation—not raised by us but by the Government. We looked at the way the Government saw itself implementing its policies through such an important instrument called the Budget and what we found was contradictions and denials of the main mandate that the Government has set for itself.

On energy alone there is an enormous vacuum that the Minister of Energy has failed to fill. We do not know at this stage what is the intent of the Minister of Energy in terms of Canada's commitment and role in slowing climate warming. All we know is that existing projects which will increase Canada's momentum in climate warming have been confirmed instead of having been turned around.

Evidently, Mr. Speaker, I have tested your patience to the limit of the time allocated, and I thank you.

The Acting Speaker (Mr. Paproski): I enjoy listening to the Hon. Member. However, I regret that he has run about a minute or so over his allotted time.

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, I just wanted some time to bring to the attention of the House a few points with respect to Bill C-11, the borrowing authority Bill. When we see the amount of money that is going to be borrowed, $24.8 billion, how

can the average Canadian possibly understand what it means, let alone talk about the deficit which is a few hundred billion dollars? None of us will be strapped with it ourselves individually so we do not worry about it.

My colleague from Davenport explained some of the weaknesses of the Budget, be it in the foreign affairs envelope or environment. Needless to say, the record of the Government in the environment has been extremely weak, although it had a conversion like Saul did when he went to Damascus. However, nothing has really happened.

Our whole tax system has to be overhauled. It is such a complex system that no one really wants to tackle it, or else there are too many vested interests protecting the system as it is. Far be it for me to say who is right and who is wrong about the whole tax system. I am not an expert in the tax system. I guess that few people are. However, there are basic principles that were brought out many years ago by the Carter Commission which started in 1967 under the late Right Hon. John Diefenbaker. It was a a great initiative on his part that there should be a Royal Commission into the tax system. It took many years before the Carter Commission could write up its conclusions. Unfortunately, the document, as credible as it was, was never published. It was used at Harvard University and in Scandinavian countries as a basis for seeing how a comprehensive and just tax system could be implemented. The document was remarkable. I say in this House that Kenneth Carter is probably one of the unsung heroes of Canada.

The basic principles he outlined would make the tax system fair and equitable for all Canadians. However, some 25 years later, if we look at the tax system and the deficits that are being accumulated, it is obvious to any Canadian that something is drastically wrong. Nonetheless, we go on without a deep reform of the whole tax system.

[*Translation*]

Mr. Speaker, I said that about 25 years ago, a study was made of the taxation system in Canada, and that we have never really wanted to come to grips with the problem. Hon. Members opposite have heard it all before: The rich don't pay taxes! It may be just an expression, but if we look at the taxation system in Canada, there is a great deal of truth in it. Incredibly so, in fact. When we see the advantages for the financial elite in our country, we have to conclude that the wealthy in this country do not pay their fair share.

I believe, Madam Speaker, as the Carter Commission pointed out 25 years ago, that there is a way to be fair and equitable towards all Canadians. There is an expression that was very apt at the time, but unfortunately, it wasn't taken seriously—

[*English*]

Mr. Speaker, you probably remember the expression of that time: "A buck is a buck". No matter how it was earned the Government had a right to tax it. However, over the years we have seen loopholes in the law. They are loopholes that are not a mystery and that were dictated by the financial leaders of Canada. The Minister of Finance had to go along with some of their requests. I become impassioned on this issue. There are but a few Members of this House who have gotten up to point a finger to say that the financial elite in this country used the tax system to their benefit to the disregard of the middle class. I read a book which influenced me greatly. It is one by Linda McQuaig. She now works for *The Globe and Mail*. It is entitled *Behind Closed Doors*. It was translated into French. I have been told that it is a good translation.

[*Translation*]

The French title is *La part du lion*. The book shows how in the past 25 years, Ministers of Finance have been increasingly pressed to hand out tax benefits. To whom? Not to the middle class but to the financial world, which has never paid its fair share. I say the time has come to take another look at the basic principles proposed by Kenneth Carter in the report of his Royal commission of inquiry on the subject.

[*English*]

For anyone who is interested it is a complicated affair, that is for sure. There is no doubt that if anybody wanted to sit down and look at the tax laws obviously one would have to be a lawyer because it is so involved. However, no one can make me believe that with common sense we cannot get to the basic principles. What Canadian would not agree that the most fundamental principle in a democracy is that it would be fair and equitable? But the fact is that it is not. Is it any surprise that after all these years we have a deficit that is getting out of proportion? When we compare our population of 27 million to the United States with well over 240 million, our deficit on a

per capita basis is twice as high. There is no mystery that something in our system is flawed.

• (1720)

It is time that we woke up to this problem. I hope to see the day when the average Canadian, especially the middle class which is the backbone of this country, will ask each and every Member of Parliament what their role is to ensure that the tax system is fair and equitable. There is no other way to make it work than for the majority of people to call upon their individual representatives to sit down and find a way to make the tax system fair and equitable. We are not asking for any more.

[*Translation*]

Mr. Speaker, this has been a particular concern of mine for years, and after lunching from crisis to crises, in time we will have to take a much better look at what happens in a country with a deficit that is out of control, and realize that our tax system is far from being fair and equitable.

We should take a look at the problems we will be facing in the next few years. In only a few years, after what happened in Saint-Basile-le-Grand, the environment has become an extremely important issue. It has become the most important issue in our daily lives, and rightly so. Maybe this should have happened 20 years ago, but at least it did happen, and we are thinking about it, and we will have to keep on thinking about it. However, it is going to take a lot of political will and public funds to solve the problem in the years to come.

The other problem is municipal infrastructures.

[*English*]

I want to deal with the question of infrastructure. We are beginning to see that as a result of years of neglect, our roads, bridges and other infrastructure are deteriorating rapidly.

A couple of years ago a professor from Cornell University estimated that the repairs to the infrastructure in the United States, which he considered to be in an alarming state of deterioration, would cost approximately $500 billion just to bring it to a reasonably safe level. A couple of weeks ago we met with the Mayor of Quebec, who is president of the Union des municipalités de Québec. They anticipate that they will not be able to absorb the amounts needed for the maintenance of the municipal infrastructure.

During the last election the Liberal Party of Canada stated that we need massive expenditures in sewage treatment. There is an increasing volume of letters on this matter. I know that in my constituency, mayors are asking me if there is any possibility for some help to the municipalities for their infrastructure.

We know that in the future Canadians will be asking Parliament for this help because it is the Government of Canada that has the most powerful borrowing authority, as illustrated by this Bill in which the Government is asking for $24.8 billion, and perhaps more.

The provinces are having difficulty because of the Government's policies. They must absorb many of the expenditures and as a result of the deficit we will be in a very difficult position to help the provinces, let alone the municipalities that need assistance with their infrastructure.

I recommend Linda McQuaig's book *Behind Closed Doors*. While it is not gospel, it provides a basis for everyone to at least recognize that it is time for us to consider total reform. We were given a tremendous example 25 years ago and those principles still hold true today. Let us look at that again and perhaps in the years to come we will see this reform as part of the solution, along with the constraint in spending that we will have to impose upon ourselves. Perhaps we will have a just and equitable tax system for all Canadians that we can say we developed through a tremendous amount of political will and in spite of pressures against reform.

Mr. Harvard: Mr. Speaker, my hon. colleague talked about taxation and the need for reform. I think we all realize that there is great need for reform.

He mentioned Kenneth Carter as being the unsung hero in this country. I would like him to expand on what he meant by that.

Mr. Assad: Mr. Speaker, the Kenneth Carter Commission was established by John Diefenbaker in 1963. It was a Royal Commission into the tax system to see if there could not be a more comprehensive system.

While the process was very complicated, he could see how it could be simplified. The purpose was to develop a fair and equitable tax system.

Mr. Carter felt that a salary, investments, all forms of revenue would be taxable.

Mr. Harvard: A buck is a buck.

Mr. Assad: A buck is a buck, as I said to the Speaker. The basic principles he came up with 25 years ago still exist today.

I repeat that he was an unsung hero in this country. He was a man of integrity. He did a great service to this country and we did not even know it.

I have begun to look into his study. This issue required a tremendous amount of work and it takes someone with a great knowledge of the system to understand it. He was attempting to simplify it. The basic political will that we must have is to make it fair and equitable. I am sure that that is all any Canadian wants of us.

• (1730)

Mr. Waddell: Mr. Speaker, it seems that for most of my adult life the Liberals were in power in Ottawa. The man that you spoke of from the Carter Commission said a buck is a buck and should be taxed as such. Why was that not implemented? Why are we getting Liberals saying that we have this unfair taxation system? The Member put it very eloquently. There are people in this country who are not paying their fair share. Well, welcome aboard. Come over and sit with the New Democrats. That is what we were saying in the last election and before that. I will ask the Hon. Member two questions: One, do the Liberals not take some responsibility for the fact that we have this big deficit as a result of the mismanagement of the economy? Why did they not implement all those good ideas if they were so great? Why did they not implement them? Let us not have this hypocrisy here. Let us have some truth.

Mr. Assad: Mr. Speaker, I do not think that we need any lessons from the NDP.

Mr. Waddell: Answer the question.

Mr. Assad: I will answer his question. As I look to the period of that Royal Commission that was established by the late John Diefenbaker, and at the attempts made under the Minister of Finance, Mr. MacEachen, to correct some of the inequalities in his Budget of 1979—am I correct, Mr. Speaker?

Mr. Mills: 1981.

Mr. Assad: I believe at that particular time there was some difficulty with his Budget. There was a tremendous amount of pressure, and he had to put aside some of those things that he felt were fair and equitable. In answer to your question, I agree that the Liberal Party at that time did not implement some of the things they could have, but nevertheless it does not change the fact that we consisted of 284 Members in this House and our job was to make sure that the tax system was fair and equitable.

Today with the knowledge that we have, and knowing that it takes problems to bring things to a head, I agree that a reform is needed in the whole tax system. I am not trying to whitewash the Party that I have the honour of belonging to in this House, but nevertheless we are all Members here. We all represent average Canadians. I am sure that there is no one in this House who can get up and tell his constituents that this is a fair and honest tax system no matter what Party you represent. A buck is a buck and the facts are the facts and you know them as well as I do, no matter what Party you represent, be it our pseudo-socialists at one end or the Conservative Party across the way. We all have obligations toward our fellow Canadians. If you can find a constituency where they disagree with what I have said today I will retract it all.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, I will take this opportunity to speak on the borrowing bill. The most chilling part of the Budget that we have been faced with in the last month or so is the fact that it intends to tax every area in which we as Canadians have been operating, where we have been transferring money and goods. It is a major tax grab, but a tax grab which the Government said was necessary because it had to deal with the deficit. Besides the tax grab, the Government has said that it is spending far too much in certain areas and therefore it has to cut back. It is cutting back on old age security, family allowance, cutting back wherever it can. In so doing, it is changing the fabric that has made Canada the kind of country that it is.

We have on one hand a major tax grab and a major cut of services. The reason given for this change was that it was a means of dealing with the deficit. What really happened? Instead of making a major impact on the deficit, it is as high as it ever was and we continue to accumulate a considerable amount more each year, at this time probably close to $30 billion or more. In the process, we have pushed the national debt or the

accumulated deficit, whatever you want to call it, up to something over $300 billion. It has become a major factor in the expenditures of this country. Are we to believe that by increasing the taxes and reducing the services that this country has looked at all the possibilities of reducing the deficit, if it is so necessary to do, and the Government claims that it is.

We should perhaps talk a bit more about what I like to call the four phases of the Minister of Finance (Mr. Wilson). If you look back through the last year, you will find that the Minister of Finance and his Government—I cannot blame it all on the Minister of Finance—have had four different decisions. There was the pre-election decision which was: "We have done such a great job of the economy and in directing the country that we have no real problem. Perhaps there is a little deficit there, but let us not worry about it. We are doing so well that we do not need to worry about it. The country has turned the corner. Our policies have pushed the country around the corner. We have all of these good things that we are going to give you, such as a major child care program and drought relief. We are going to support agriculture so that farmers can be sure they are going to get some returns." All of these were part of the pre-election phase, number one.

Then the election came along, which is phase number two. "The deficit is no longer a problem. All the things that we said we were going to do and did not do because money was short, because of the bad job that the Liberals did in governing the country, because of the wastage, and all the things that the Nielsen Report was supposed to do for Canada, we are going to do. We do not have any problems any more. Just put us back into power and we will give you child care and $800 million worth of drought relief." That was phase number two.

Then we got out of that election. The Government was returned with a reduced majority, but they were returned, and we have a post-election, pre-budget period during which the Government and the Minister of Finance suddenly rediscover the deficit. The Minister told us that none of the projects that the Government had been planning and promised—remember this was the Government that had been in place before the election—to do during and before the election were possible now because all of a sudden the deficit was so important that it could do nothing. Everything that the Government had promised during the election would have to go by the board because the deficit is so large that it has to do something about it. I told you what they did about it, they increased taxes, reduced services and increased the deficit. Face number three, the post-election, pre-Budget period.

• (1740)

Let us look at face number four, the Budget. What did the Minister of Finance do in the Budget? He said that we cannot afford any of these things, that we will have to step back and curtail economic growth, we will have to accept more unemployment, we will have to accept higher interest rates, we will have to curtail economic growth until it hurts. The most chilling factor is that we are still going to have a $30 billion deficit, that we are still going to push the accumulated deficit to over $300 billion, and we are still going to be paying a high interest rate on that accumulated deficit.

The reason for all of this did not go away and it is not predicted that it will go away in the next four years. Therefore we find ourselves here now debating, not the four faces of the Minister of Finance, but the result of what the Government has been doing for the last four years which was assisted in this direction by the previous Government.

The Budget is attacking universality, although I know the government side will say that they are not attacking universality, that everyone is going to get their pension and everyone is going to get their family allowance. However, they are attacking universality in the sense that old age pension, which has been considered a right by all people across Canada regardless of class or category, will be clawed back from people in a particular category.

I would think that before very long after this goes into effect someone will challenge the Government on this as it is discriminatory. If my friend from Vancouver and I each make $50,000 but part of my income comes from an old age security cheque, I will be taxed more than him. I think the time is coming when someone will challenge that and the Government is going to lose. Although this may not be a direct attack on universality, certain people will not receive retirement benefits when they reach the

age of 65. The same will happen with regard to family allowances.

We have prided ourselves over the years on putting in place a safety net for the people of Canada. That net meant that if people got sick or found themselves without a job, there would be a worth-while and effective net in place for which they had paid. That safety net is being attacked. We should be most cognizant here of the fact that this is the beginning of the attack. We cannot be secure in the knowledge that the Government will not do more next time. It attacked the universality of the Old Age Security and the family allowance. It changed the structure of unemployment insurance so that it no longer resembles the insurance that we had.

Where will this end? This should be our major concern. Will it reach the point that if you can afford it you will have to pay for the schooling of your grade school and high school-aged children? Is it going to reach the point that if you are rich enough medicare and hospitalization will be your responsibility, that the Government will not maintain that kind of a net? Will there be a further change in the attack on family allowance and Old Age Security next year so that if you earn $30,000 you will have it all clawed back and the year after that if you earn $20,000 you will have it all clawed back until no one gets Old Age Security if they are getting a minimum wage? Will it stop at unemployment insurance? We do not know where it is going to stop.

Our Party has always felt that we have a responsibility to let the Government know that it had alternatives to reduce the deficit, that it could be reducing the amount that the accumulated deficit is costing us. We do not believe that our only duty is to oppose. We believe that we should also point out the weaknesses in legislation and the alternatives available to the Government. We have a different philosophy and different ideology than does the Government or the Liberal Party. We work from a base which we believe to be the best for the people of Canada. We recognize that the ideas which we put before the Government now and in the past are good ideas. I point to the social fabric of the country as proof of that. The ideas which have built the basic social fabric of the country were ideas which our Party or our predecessors put before previous Governments. I speak of old age security, health care and family allowance, to name a few. Part of the social fabric of the country was formed as a result of ideas and structures which this Party put before this Parliament many years ago.

When I first came to this House, the Member for Winnipeg North Centre at that particular time, Stanley Knowles, told me, when I was very disgruntled at how little impact we were having, that we do have impact, that every one of the programs that I am now speaking about were private Members' Bills put before this Parliament 30 years ago.

The Government seems intent on tearing the social fabric which the people of Canada have put in place and supported. What can the Government do? It can do a lot. As I pointed out to one of the earlier speakers, there have been over 1,000 foreign and domestic acquisitions in Canada in the last year. Those acquisitions have done nothing to increase the number of jobs that we have. In fact, if anything, they have decreased the number of jobs.

• (1750)

We have in Canada the highest concentration of corporate power of any industrial country in the world. The top 1 per cent of the enterprises control almost 80 per cent of the assets in Canada. Nine families alone control 46 per cent of the value of all the shares in the largest 300 corporations in Canada that are traded on the Toronto Stock Exchange.

We have this kind of a structure in Canada. The policies of this Government are further increasing this kind of structure. Every time we allow a corporate merger or a corporate take-over, we lose. We lose, particularly if it is a foreign take-over. We also know that in the last three years we have experienced in Canada a deficit of interest and dividend payments of over $15 billion annually.

What I am talking about is that $15 billion of interest and dividends earned in Canada have left Canada to go to other nations. Fifteen billion dollars, which is half of our deficit this year. Every time we allow a merger, we increase the amount that will leave the country. Where does it end, when we are 100 per cent owned by corporations other than Canadian corporations, so that every dividend that is paid in country leaves this country

and we become mainly a country with large and successful huge corporations which we do not own.

When the Swedish Government found that they had increased from 7 per cent to 7-1/2 per cent of their corporations foreign owned, they had a huge debate in the parliament in Sweden. The basis of that debate was, should we put in place certain restrictions which would limit the amount of foreign ownership. All of these things are ways in which this Government can start looking and dealing with the problems of deficit if it thinks it is so important that it do so.

I talked about mergers. Let us talk about one other issue in the financial structure. The Government keeps telling us that on one hand it cannot change the interest rate, that it is important that the interest rate be set by the market. The director or the president of the Bank of Canada is under the auspices of the Government, and if you do not believe it, go and ask John Diefenbaker. He made the Bank of Canada become subservient to the Parliament of Canada. This particular Government does not seem to think that that would work. If we reduce the interest rate by 1 per cent, we would reduce the deficit by $1.5 billion. We have the power to do it.

There are alternatives which this Government can look at and can use to reduce the deficit and do what it says is so important that it do. However, it is unwilling to do it because it does not direct the direction of our economy. It is done by somebody outside of the Government. Those mergers and those large corporations have more power than this Parliament.I think that is a very sad state of affairs.

The Acting Speaker (Mr. Paproski): Questions or comments. Debate. The Hon. Member for Winnipeg—St. James.

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, I welcome the opportunity to take part in this debate. It gives me the opportunity to put some of my views on record. I think that the Government in its preoccupation with deficit reduction runs the risk of throwing the baby out with the bath water. Let me try to explain that.

If we go back to the election day, November 21, 1988, what we have witnessed is an unprecedented barrage of Government propaganda. After the election was completed, the Government put its propaganda wheels in motion and those wheels have been running at unbelievably top speed ever since. Canadians are sensitized to this matter of deficit reduction. I think that most Canadians appreciate that the deficit is a problem. However, we have to be careful. As I said earlier we cannot throw the baby out with the bath water.

Let me, if I can, touch on a couple of areas. First, the CBC, the Canadian Broadcasting Corporation.

Some Hon. Members: Oh, oh!

Mr. Harvard: Well, you can perhaps make fun of the CBC, but I will tell the Hon. Members, it is a fundamental service in this country. We cannot do without the CBC.

Some Hon. Members: hear, hear!

Mr. Harvard: I will remind the Hon. Members, and I will remind my colleagues from Calgary and from Selkirk, that it was a Conservative Government that started the CBC, it was Tories who started the CBC. It was people like R. B. Bennett who realized that we could not run this country and this country could not survive without the CBC.

All we have to do is check the records. In fact, the late Prime Minister, the Prime Minister of that period going back more than 50 years, made some very, very eloquent speeches in defence of establishing a public broadcasting system in this country. Do you know why, Mr. Speaker? I will tell you why, because back in the 1930s when television was not around but radio was,listen to this, the Canadians in those days, yes, even Tories, were concerned about American influence. They were concerned about the incursion of American programming into this country. They decided to do something about it. They set up the CBC. It is one of the smart things which the Tories did in this country. They established the CBC.

Over the years, the CBC has done a tremendous job and established a world-wide reputation. The Canadian Broadcasting Corporation is known as one of the best networks, bar none, anywhere in the world. In fact, there are professionals in the broadcasting field, Mr. Speaker, who will tell you that the CBC is the best. It is not No. 2 and it is not No. 3. It is the best, even ahead of that well known famous BBC in Great Britain. That is the kind of reputation which the CBC has. It is that kind of service provided by the CBC and that kind of reputation of the CBC that is in danger now because of the cuts which are proposed in the Budget of the Hon. Minister of Finance (Mr. Wilson) of a couple of months ago. Unfortunately,

over the years, and perhaps because the CBC did such a great job, the CBC was just simply taken for granted.

For a while, back in the 1940s and 1950s before the private sector got its act going, particularly on the television side, the CBC was really the only act in town. It was really the only show in town. People just took it for granted. Now, because of the advent of private sector television and radio—and they have been in the game for a long time—the CBC needs support. It cannot be taken for granted any more. That is why those of us who are so strongly in favour of public broadcasting have come to the defence of the CBC. The CBC is an endangered species because of this Government.

Let me tell you something, Mr. Speaker. In the Budget of the Hon. Minister of Finance there are proposed cuts over the next four years neighbouring about $140 million. Do you know what that would do, Mr. Speaker? First, it would make the CBC unrecognizable. In fact, that is not my word. That is a word used often, since the Wilson Budget, by no less than the President of the CBC.

The Acting Speaker (Mr. Paproski): The Hon. Member for Winnipeg—St. James (Mr. Harvard) will have 15 minutes left in his debate, plus 10 minutes questions and comments.

* * *

SUPPLY

ALLOTTED DAY, S.O. 81—WEST COAST SALMON AND HERRING INDUSTRY

The House resumed from Thursday, June 15, consideration of the motion of Mr. Stupich:

> That this House reaffirms the Government's pledge to the West Coast salmon and herring industry to "not allow jobs, historically established, to be threatened" by any Government response to GATT rulings.

The Acting Speaker (Mr. Paproski): It being six o'clock, pursuant to the order made on Thursday, June 15, 1989 and Standing Order 45(6), the House will now proceed to the deferred divisions on the business of supply.

Call in the Members.

The House divided on the motion, which was negatived on the following division:

• (1800)

(Division No. 32)

YEAS

Members

Allmand	Althouse
Anawak	Angus
Arseneault	Assad
Axworthy (Saskatoon—Clark's Crossing)	Baker
Barrett	Bélair
Bellemare	Benjamin
Berger	Bevilacqua
Blackburn (Brant)	Blondin
Boudria	Caccia
Callbeck	Campbell (South West Nova)
Catterall	Clancy
Comuzzi	Copps
Crawford	Dingwall
Dionne	Duhamel
Ferguson	Fisher
Flis	Fontana
Foster	Fulton
Funk	Gardiner
Gauthier	Gray (Windsor West)
Harb	Harvard
Harvey (Edmonton East)	Hopkins
Hovdebo	Hunter
Jordan	Karpoff
Keyes	Kilger (Stormont—Dundas)
Kristiansen	Langan (Mission—Coquitlam)
LeBlanc (Cape Breton Highlands—Canso)	MacAulay
MacLellan	Manley
Marchi	Marleau
McCurdy	McGuire
McLaughlin	Mifflin
Milliken	Mills
Mitchell	Nystrom
Pagtakhan	Parker
Peterson	Phinney
Pickard	Proud
Riis	Robinson
Rocheleau	Samson
Simmons	Skelly (Comox—Alberni)
Stewart	Stupich
Taylor	Tobin
Vanclief	Waddell
Wappel	Whittaker
Wood	Young (Gloucester)
Young (Beaches—Woodbine)—87	

NAYS

Members

Anderson	Andre
Atkinson	Attewell
Beatty	Belsher
Bernier	Bertrand
Bird	Bjornson
Blenkarn	Bosley
Bouchard (Roberval)	Bouchard (Lac-Saint-Jean)
Bourgault	Boyer
Brightwell	Browes
Campbell (Vancouver Centre)	Chadwick
Charest	Clark (Brandon—Souris)
Cole	Collins
Cook	Cooper
Corbeil	Corbett
Côté	Couture

Crosbie (St. John's West)	Darling
de Cotret	Desjardins
Dick	Dobbie
Domm	Dorin
Fee	Feltham
Ferland	Fontaine
Friesen	Gérin
Gibeau	Gray (Bonaventure—Îles-de-la-Madeleine)
Greene	Grey (Beaver River)
Guilbault	Gustafson
Harvey (Chicoutimi)	Hicks
Hogue	Holtmann
Horner	Horning
Hughes	Jelinek
Johnson	Joncas
Jourdenais	Kempling
Kilgour (Edmonton Southeast)	Koury
Landry	Langlois
Larrivée	Leblanc (Longueuil)
Lewis	Loiselle
Lopez	MacDonald (Rosedale)
MacDougall (Timiskaming)	Malone
Marin	Martin (Lincoln)
Masse	McCreath
McDermid	McDougall (St. Paul's)
McKnight	McLean
Merrithew	Mitges
Monteith	Moore
Nicholson	Nowlan
Oberle	O'Kurley
Plamondon	Plourde
Pronovost	Redway
Reid	Reimer
Ricard	Richardson
Roy-Arcelin	St-Julien
Scott (Hamilton—Wentworth)	Shields
Siddon	Sobeski
Soetens	Sparrow
Stevenson	Tardif
Tétreault	Thorkelson
Tremblay (Rosemont)	Tremblay (Lotbinière)
Turner (Halton—Peel)	Valcourt
Van de Walle	Vankoughnet
Venne	Vézina
Vien	Vincent
Weiner	Wenman
White	Wilbee

Wilson (Swift Current—Maple Creek—Assiniboia)—125

• (1820)

The Acting Speaker (Mr. Paproski): I declare the motion lost.

Pursuant to Standing Order 45(6) the House will now proceed to the taking of the deferred divisions at the report stage of Bill C-2, an Act to establish the Canadian Transportation Accident Investigation and Safety Board and to amend certain Acts in consequence thereof.

* * *

CANADIAN TRANSPORTATION ACCIDENT INVESTIGATION AND SAFETY BOARD ACT

MEASURE TO ENACT

The House resumed from Friday, June 16, consideration of Bill C-2, an Act to establish the Canadian Transportation Accident Investigation and Safety Board and to amend certain Acts in consequence thereof, as reported (with amendments) from the Standing Committee on Transport; and the motion of Mr. Benjamin:

Motion No. 5

That Bill C-2 be amended in Clause 4 by striking out lines 10 to 13 at page 6 and substituting the following therefor:

"as full-time members persons who, in the opinion of the Governor in Council, after consultation with members of the transportation industry, are knowledgeable about one or more of the following modes of transport:

(a) air transportation (b) marine transportation (c) rail and commodity pipeline transportation."

The Acting Speaker (Mr. Paproski): Accordingly the first question is on Motion No. 5. Shall I dispense with the ringing of the bells?

Some Hon. Members: Agreed.

Mr. Riis: I rise on a point of order, Mr. Speaker. Perhaps you will find that there is unanimous consent to apply the vote that we have just taken on the opposition day motion to Motions Nos. 5, 6, 7, 8, 9, and 10.

Mr. Gauthier: I take it that the NDP are not voting for Motion No. 11. We are.

• (1830)

Miss Grey: Mr. Speaker, I am in favour of Motions Nos. 5, 6, 7, 8, and 10. I am opposed to Motions Nos. 9 and 11.

Mr. Tobin: Mr. Speaker, as the sponsor of the motions that stand in the name of the Liberal Party, we agree with the proposition made by the NDP House Leader to apply the vote taken earlier on the opposition day motion to all the motions proposed today, with the exception of Motion No. 11 with respect to which the NDP will oppose.

Mr. Benjamin: Mr. Speaker, you can record me as voting in favour of Motion No. 11.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): Does the House agree that the division just taken be recorded as applying to Motions Nos. 5, 6, 7, 8, 9, and 10?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): Accordingly the first question is on Motion No. 5.

The House divided on the motion, which was negatived on the following division:

(Division No. 33)

YEAS

Members

Allmand	Althouse
Anawak	Angus
Arseneault	Assad
Axworthy (Saskatoon—Clark's Crossing)	Baker
Barrett	Bélair
Bellemare	Benjamin
Berger	Bevilacqua
Blackburn (Brant)	Blondin
Boudria	Caccia
Callbeck	Campbell (South West Nova)
Catterall	Clancy
Comuzzi	Copps
Crawford	Dingwall
Dionne	Duhamel
Ferguson	Fisher
Flis	Fontana
Foster	Fulton
Funk	Gardiner
Gauthier	Gray (Windsor West)
Grey (Beaver River)	Harb
Harvard	Harvey (Edmonton East)
Hopkins	Hovdebo
Hunter	Jordan
Karpoff	Keyes
Kilger (Stormont—Dundas)	Kristiansen
Langan (Mission—Coquitlam)	LeBlanc (Cape Breton Highlands—Canso)
MacAulay	MacLellan
Manley	Marchi
Marleau	McCurdy
McGuire	McLaughlin
Mifflin	Milliken
Mills	Mitchell
Nystrom	Pagtakhan
Parker	Peterson
Phinney	Pickard
Proud	Riis
Robinson	Rocheleau
Samson	Simmons
Skelly (Comox—Alberni)	Stewart
Stupich	Taylor
Tobin	Vanclief
Waddell	Wappel
Whittaker	Wood
Young (Gloucester)	Young (Beaches—Woodbine)—88

NAYS

Members

Anderson	Andre
Atkinson	Attewell
Beatty	Belsher
Bernier	Bertrand
Bird	Bjornson
Blenkarn	Bosley
Bouchard (Roberval)	Bouchard (Lac-Saint-Jean)
Bourgault	Boyer
Brightwell	Browes
Campbell (Vancouver Centre)	Chadwick
Charest	Clark (Brandon—Souris)
Cole	Collins
Cook	Cooper
Corbeil	Corbett
Côté	Couture
Crosbie (St. John's West)	Darling
de Cotret	Desjardins
Dick	Dobbie
Domm	Dorin
Fee	Feltham
Ferland	Fontaine
Friesen	Gérin
Gibeau	Gray (Bonaventure—Îles-de-la-Madeleine)
Greene	Guilbault
Gustafson	Harvey (Chicoutimi)
Hicks	Hogue
Holtmann	Horner
Horning	Hughes
Jelinek	Johnson
Joncas	Jourdenais
Kempling	Kilgour (Edmonton Southeast)
Koury	Landry
Langlois	Larrivée
Leblanc (Longueuil)	Lewis
Loiselle	Lopez
MacDonald (Rosedale)	MacDougall (Timiskaming)
Malone	Marin
Martin (Lincoln)	Masse
McCreath	McDermid
McDougall (St. Paul's)	McKnight
McLean	Merrithew
Mitges	Monteith
Moore	Nicholson
Nowlan	Oberle
O'Kurley	Plamondon
Plourde	Pronovost
Redway	Reid
Reimer	Ricard
Richardson	Roy-Arcelin
St-Julien	Scott (Hamilton—Wentworth)
Shields	Siddon
Sobeski	Soetens
Sparrow	Stevenson
Tardif	Tétreault
Thorkelson	Tremblay (Rosemont)
Tremblay (Lotbinière)	Turner (Halton—Peel)
Valcourt	Van de Walle
Vankoughnet	Venne
Vézina	Vien
Vincent	Weiner
Wenman	White
Wilbee	Wilson (Swift Current—Maple Creek—Assiniboia)—124

The Acting Speaker (Mr. Paproski): I declare the motion lost.

The next question is on Motion No. 6. Mr. Benjamin moved:

Motion No. 6

That Bill C-2 be amended in Clause 5 by striking out lines 38 to 43 at page 6 and lines 1 to 11 at page 7 and substituting the following therefor:

"5.(1) The Governor in Council shall appoint one Chairperson who shall have demonstrated an understanding of the role of an investigatory body, have knowledge of law and due process and not be an expert in any individual mode covered by this Act.

(2) The Governor in Council shall, in consultation with the Board, designate one Member to be the Vice-Chairperson of the Board.

(3) The Chairperson is the chief executive officer of the Board and subject to paragraph (a) hereof, shall have the responsibility for the administration of the Board and such powers and duties as are delegated to him by the Board.

(a) In exercising the powers conferred on him by subsection 5(1), by the Public Service Employment Act and Financial Administration Act,

the Chairperson is subject to and shall act in accordance with the general policies, resolutions, rules and regulations of the Board.

(b) In the event of the absence or incapacity of the Chairperson, the Vice-Chairperson has and may exercise and perform all the powers of the Chairperson.

The House divided on the motion, which was negatived on the following division:

(Division No. 34)

YEAS

Members

Allmand	Althouse
Anawak	Angus
Arseneault	Assad
Axworthy (Saskatoon—Clark's Crossing)	Baker
Barrett	Bélair
Bellemare	Benjamin
Berger	Bevilacqua
Blackburn (Brant)	Blondin
Boudria	Caccia
Callbeck	Campbell (South West Nova)
Catterall	Clancy
Comuzzi	Copps
Crawford	Dingwall
Dionne	Duhamel
Ferguson	Fisher
Flis	Fontana
Foster	Fulton
Funk	Gardiner
Gauthier	Gray (Windsor West)
Grey (Beaver River)	Harb
Harvard	Harvey (Edmonton East)
Hopkins	Hovdebo
Hunter	Jordan
Karpoff	Keyes
Kilger (Stormont—Dundas)	Kristiansen
Langan (Mission—Coquitlam)	LeBlanc (Cape Breton Highlands—Canso)
MacAulay	MacLellan
Manley	Marchi
Marleau	McCurdy
McGuire	McLaughlin
Mifflin	Milliken
Mills	Mitchell
Nystrom	Pagtakhan
Parker	Peterson
Phinney	Pickard
Proud	Riis
Robinson	Rocheleau
Samson	Simmons
Skelly (Comox—Alberni)	Stewart
Stupich	Taylor
Tobin	Vanclief
Waddell	Wappel
Whittaker	Wood
Young (Gloucester)	Young (Beaches—Woodbine)—88

NAYS

Members

Anderson	Andre
Atkinson	Attewell
Beatty	Belsher
Bernier	Bertrand
Bird	Bjornson
Blenkarn	Bosley
Bouchard (Roberval)	Bouchard (Lac-Saint-Jean)
Bourgault	Boyer
Brightwell	Browes
Campbell (Vancouver Centre)	Chadwick
Charest	Clark (Brandon—Souris)
Cole	Collins
Cook	Cooper
Corbeil	Corbett
Côté	Couture
Crosbie (St. John's West)	Darling
de Cotret	Desjardins
Dick	Dobbie
Domm	Dorin
Fee	Feltham
Ferland	Fontaine
Friesen	Gérin
Gibeau	Gray (Bonaventure—Îles-de-la-Madeleine)
Greene	Guilbault
Gustafson	Harvey (Chicoutimi)
Hicks	Hogue
Holtmann	Horner
Horning	Hughes
Jelinek	Johnson
Joncas	Jourdenais
Kempling	Kilgour (Edmonton Southeast)
Koury	Landry
Langlois	Larrivée
Leblanc (Longueuil)	Lewis
Loiselle	Lopez
MacDonald (Rosedale)	MacDougall (Timiskaming)
Malone	Marin
Martin (Lincoln)	Masse
McCreath	McDermid
McDougall (St. Paul's)	McKnight
McLean	Merrithew
Mitges	Monteith
Moore	Nicholson
Nowlan	Oberle
O'Kurley	Plamondon
Plourde	Pronovost
Redway	Reid
Reimer	Ricard
Richardson	Roy-Arcelin
St-Julien	Scott (Hamilton—Wentworth)
Shields	Siddon
Sobeski	Soetens
Sparrow	Stevenson
Tardif	Tétreault
Thorkelson	Tremblay (Rosemont)
Tremblay (Lotbinière)	Turner (Halton—Peel)
Valcourt	Van de Walle
Vankoughnet	Venne
Vézina	Vien
Vincent	Weiner
Wenman	White
Wilbee	Wilson (Swift Current—Maple Creek—Assiniboia)—124

The Acting Speaker (Mr. Paproski): I declare the motion lost.

The next question is on Motion No. 7. Mr. Comuzzi moved:

Motion No. 7.

That Bill C-2 be amended in Clause 5

(a) by striking out line 43 at page 6 and lines 1 to 3 at page 7 and substituting the following therefor:

"responsibility for"

(b) by striking out lines 6 and 7 at page 7.

The House divided on the motion, which was negatived on the following division:

(*Division No. 35*)

YEAS

Members

Allmand
Anawak
Arseneault
Axworthy (Saskatoon—Clark's Crossing)
Barrett
Bellemare
Berger
Blackburn (Brant)
Boudria
Callbeck
Catterall
Comuzzi
Crawford
Dionne
Ferguson
Flis
Foster
Funk
Gauthier
Grey (Beaver River)
Harvard
Hopkins
Hunter
Karpoff
Kilger (Stormont—Dundas)
Langan (Mission—Coquitlam)
MacAulay
Manley
Marleau
McGuire
Mifflin
Mills
Nystrom
Parker
Phinney
Proud
Robinson
Samson
Skelly (Comox—Alberni)
Stupich
Tobin
Waddell
Whittaker
Young (Gloucester)

Althouse
Angus
Assad
Baker
Bélair
Benjamin
Bevilacqua
Blondin
Caccia
Campbell (South West Nova)
Clancy
Copps
Dingwall
Duhamel
Fisher
Fontana
Fulton
Gardiner
Gray (Windsor West)
Harb
Harvey (Edmonton East)
Hovdebo
Jordan
Keyes
Kristiansen
LeBlanc (Cape Breton Highlands—Canso)
MacLellan
Marchi
McCurdy
McLaughlin
Milliken
Mitchell
Pagtakhan
Peterson
Pickard
Riis
Rocheleau
Simmons
Stewart
Taylor
Vanclief
Wappel
Wood
Young (Beaches—Woodbine)—88

NAYS

Members

Anderson
Atkinson
Beatty
Bernier
Bird
Blenkarn
Bouchard (Roberval)
Bourgault
Brightwell
Campbell (Vancouver Centre)
Charest
Cole
Cook
Corbeil
Côté
Crosbie (St. John's West)
de Cotret
Dick
Domm
Fee
Ferland
Friesen
Gibeau

Andre
Attewell
Belsher
Bertrand
Bjornson
Bosley
Bouchard (Lac-Saint-Jean)
Boyer
Browes
Chadwick
Clark (Brandon—Souris)
Collins
Cooper
Corbett
Couture
Darling
Desjardins
Dobbie
Dorin
Feltham
Fontaine
Gérin
Gray (Bonaventure—Îles-de-la-Madeleine)

Greene
Gustafson
Hicks
Holtmann
Horning
Jelinek
Joncas
Kempling
Koury
Langlois
Leblanc (Longueuil)
Loiselle
MacDonald (Rosedale)
Malone
Martin (Lincoln)
McCreath
McDougall (St. Paul's)
McLean
Mitges
Moore
Nowlan
O'Kurley
Plourde
Redway
Reimer
Richardson
St-Julien
Shields
Sobeski
Sparrow
Tardif
Thorkelson
Tremblay (Lotbinière)
Valcourt
Vankoughnet
Vézina
Vincent
Wenman
Wilbee
Assiniboia)—124

Guilbault
Harvey (Chicoutimi)
Hogue
Horner
Hughes
Johnson
Jourdenais
Kilgour (Edmonton Southeast)
Landry
Larrivée
Lewis
Lopez
MacDougall (Timiskaming)
Marin
Masse
McDermid
McKnight
Merrithew
Monteith
Nicholson
Oberle
Plamondon
Pronovost
Reid
Ricard
Roy-Arcelin
Scott (Hamilton—Wentworth)
Siddon
Soetens
Stevenson
Tétreault
Tremblay (Rosemont)
Turner (Halton—Peel)
Van de Walle
Venne
Vien
Weiner
White
Wilson (Swift Current—Maple Creek—

The Acting Speaker (Mr. Paproski): I declare the motion lost.

The next question is on Motion No. 8. Mr. Tobin moved:

Motion No. 8

That Bill C-2 be amended in Clause 12 by adding immediately after line 12 at page 11 the following:

"(3) At meetings of the Board convened for the purpose of discussing a specific transportation occurrence, at least one member of the Board shall be qualified in the mode of transportation which is the subject matter of the occurrence.

The House divided on the motion, which was negatived on the following division:

(*Division No. 36*)

YEAS

Members

Allmand
Anawak
Arseneault
Axworthy (Saskatoon—Clark's Crossing)
Barrett
Bellemare
Berger
Blackburn (Brant)
Boudria
Callbeck
Catterall
Comuzzi
Crawford
Dionne

Althouse
Angus
Assad
Baker
Bélair
Benjamin
Bevilacqua
Blondin
Caccia
Campbell (South West Nova)
Clancy
Copps
Dingwall
Duhamel

Ferguson
Flis
Foster
Funk
Gauthier
Grey (Beaver River)
Harvard
Hopkins
Hunter
Karpoff
Kilger (Stormont—Dundas)
Langan (Mission—Coquitlam)
MacAulay
Manley
Marleau
McGuire
Mifflin
Mills
Nystrom
Parker
Phinney
Proud
Robinson
Samson
Skelly (Comox—Alberni)
Stupich
Tobin
Waddell
Whittaker
Young (Gloucester)

Fisher
Fontana
Fulton
Gardiner
Gray (Windsor West)
Harb
Harvey (Edmonton East)
Hovdebo
Jordan
Keyes
Kristiansen
LeBlanc (Cape Breton Highlands—Canso)
MacLellan
Marchi
McCurdy
McLaughlin
Milliken
Mitchell
Pagtakhan
Peterson
Pickard
Riis
Rocheleau
Simmons
Stewart
Taylor
Vanclief
Wappel
Wood
Young (Beaches—Woodbine)—88

NAYS

Members

Anderson
Atkinson
Beatty
Bernier
Bird
Blenkarn
Bouchard (Roberval)
Bourgault
Brightwell
Campbell (Vancouver Centre)
Charest
Cole
Cook
Corbeil
Côté
Crosbie (St. John's West)
de Cotret
Dick
Domm
Fee
Ferland
Friesen
Gibeau
Greene
Gustafson
Hicks
Holtmann
Horning
Jelinek
Joncas
Kempling
Koury
Langlois
Leblanc (Longueuil)
Loiselle
MacDonald (Rosedale)
Malone
Martin (Lincoln)
McCreath
McDougall (St. Paul's)
McLean
Mitges
Moore
Nowlan

Andre
Attewell
Belsher
Bertrand
Bjornson
Bosley
Bouchard (Lac-Saint-Jean)
Boyer
Browes
Chadwick
Clark (Brandon—Souris)
Collins
Cooper
Corbett
Couture
Darling
Desjardins
Dobbie
Dorin
Feltham
Fontaine
Gérin
Gray (Bonaventure—Îles-de-la-Madeleine)
Guilbault
Harvey (Chicoutimi)
Hogue
Horner
Hughes
Johnson
Jourdenais
Kilgour (Edmonton Southeast)
Landry
Larrivée
Lewis
Lopez
MacDougall (Timiskaming)
Marin
Masse
McDermid
McKnight
Merrithew
Monteith
Nicholson
Oberle

O'Kurley
Plourde
Redway
Reimer
Richardson
St-Julien
Shields
Sobeski
Sparrow
Tardif
Thorkelson
Tremblay (Lotbinière)
Valcourt
Vankoughnet
Vézina
Vincent
Wenman
Wilbee
Assiniboia)—124

Plamondon
Pronovost
Reid
Ricard
Roy-Arcelin
Scott (Hamilton—Wentworth)
Siddon
Soetens
Stevenson
Tétreault
Tremblay (Rosemont)
Turner (Halton—Peel)
Van de Walle
Venne
Vien
Weiner
White
Wilson (Swift Current—Maple Creek—

The Acting Speaker (Mr. Paproski): I declare the motion lost.

The next question is on Motion No. 9. Mr. Tobin moved:

Motion No. 9

That Bill C-2 be amended in Clause 19 by adding immediately after line 33 at page 19 the following:

"(17) An employee statement obtained pursuant to a collective agreement is privileged, and no person shall have access to such statements, except as authorized in writing by the person who made the statement.

The House divided on the motion, which was negatived on the following division:

(*Division No. 37*)

YEAS

Members

Allmand
Anawak
Arseneault
Axworthy (Saskatoon—Clark's Crossing)
Barrett
Bellemare
Berger
Blackburn (Brant)
Boudria
Callbeck
Catterall
Comuzzi
Crawford
Dionne
Ferguson
Flis
Foster
Funk
Gauthier
Harb
Harvey (Edmonton East)
Hovdebo
Jordan
Keyes
Kristiansen
LeBlanc (Cape Breton Highlands—Canso)
MacLellan
Marchi
McCurdy
McLaughlin
Milliken
Mitchell
Pagtakhan
Peterson
Pickard

Althouse
Angus
Assad
Baker
Bélair
Benjamin
Bevilacqua
Blondin
Caccia
Campbell (South West Nova)
Clancy
Copps
Dingwall
Duhamel
Fisher
Fontana
Fulton
Gardiner
Gray (Windsor West)
Harvard
Hopkins
Hunter
Karpoff
Kilger (Stormont—Dundas)
Langan (Mission—Coquitlam)
MacAulay
Manley
Marleau
McGuire
Mifflin
Mills
Nystrom
Parker
Phinney
Proud

Riis
Rocheleau
Simmons
Stewart
Taylor
Vanclief
Wappel
Wood
Young (Beaches—Woodbine)—87

Robinson
Samson
Skelly (Comox—Alberni)
Stupich
Tobin
Waddell
Whittaker
Young (Gloucester)

NAYS

Members

Anderson
Atkinson
Beatty
Bernier
Bird
Blenkarn
Bouchard (Roberval)
Bourgault
Brightwell
Campbell (Vancouver Centre)
Charest
Cole
Cook
Corbeil
Côté
Crosbie (St. John's West)
de Cotret
Dick
Domm
Fee
Ferland
Friesen
Gibeau
Greene
Guilbault
Harvey (Chicoutimi)
Hogue
Horner
Hughes
Johnson
Jourdenais
Kilgour (Edmonton Southeast)
Landry
Larrivée
Lewis
Lopez
MacDougall (Timiskaming)
Marin
Masse
McDermid
McKnight
Merrithew
Monteith
Nicholson
Oberle
Plamondon
Pronovost
Reid
Ricard
Roy-Arcelin
Scott (Hamilton—Wentworth)
Siddon
Soetens
Stevenson
Tétreault
Tremblay (Rosemont)
Turner (Halton—Peel)
Van de Walle
Venne
Vien
Weiner
White

Andre
Attewell
Belsher
Bertrand
Bjornson
Bosley
Bouchard (Lac-Saint-Jean)
Boyer
Browes
Chadwick
Clark (Brandon—Souris)
Collins
Cooper
Corbett
Couture
Darling
Desjardins
Dobbie
Dorin
Feltham
Fontaine
Gérin
Gray (Bonaventure—Îles-de-la-Madeleine)
Grey (Beaver River)
Gustafson
Hicks
Holtmann
Horning
Jelinek
Joncas
Kempling
Koury
Langlois
Leblanc (Longueuil)
Loiselle
MacDonald (Rosedale)
Malone
Martin (Lincoln)
McCreath
McDougall (St. Paul's)
McLean
Mitges
Moore
Nowlan
O'Kurley
Plourde
Redway
Reimer
Richardson
St-Julien
Shields
Sobeski
Sparrow
Tardif
Thorkelson
Tremblay (Lotbinière)
Valcourt
Vankoughnet
Vézina
Vincent
Wenman
Wilbee

Wilson (Swift Current—Maple Creek—Assiniboia)—125 *ediv

The Acting Speaker (Mr. Paproski): I declare the motion lost.

The next question is on Motion No. 10. Mr. Tobin moved:

Motion No. 10

That Bill C-2 be amended in Clause 24 by adding immediately after line 36 at page 22 the following:

"(3) The Board shall append to the final report any recommendations made in the draft report but not included in the public report, and recommendations and comments made by the Minister of Transport or any other Minister or observer designated as such under 23(2)(d)."

The House divided on the motion, which was negatived on the following division:

(*Division No. 38*)

YEAS

Members

Allmand
Anawak
Arseneault
Axworthy (Saskatoon—Clark's Crossing)
Barrett
Bellemare
Berger
Blackburn (Brant)
Boudria
Callbeck
Catterall
Comuzzi
Crawford
Dionne
Ferguson
Flis
Foster
Funk
Gauthier
Grey (Beaver River)
Harvard
Hopkins
Hunter
Karpoff
Kilger (Stormont—Dundas)
Langan (Mission—Coquitlam)
MacAulay
Manley
Marleau
McGuire
Mifflin
Mills
Nystrom
Parker
Phinney
Proud
Robinson
Samson
Skelly (Comox—Alberni)
Stupich
Tobin
Waddell
Whittaker
Young (Gloucester)

Althouse
Angus
Assad
Baker
Bélair
Benjamin
Bevilacqua
Blondin
Caccia
Campbell (South West Nova)
Clancy
Copps
Dingwall
Duhamel
Fisher
Fontana
Fulton
Gardiner
Gray (Windsor West)
Harb
Harvey (Edmonton East)
Hovdebo
Jordan
Keyes
Kristiansen
LeBlanc (Cape Breton Highlands—Canso)
MacLellan
Marchi
McCurdy
McLaughlin
Milliken
Mitchell
Pagtakhan
Peterson
Pickard
Riis
Rocheleau
Simmons
Stewart
Taylor
Vanclief
Wappel
Wood
Young (Beaches—Woodbine)—88

NAYS

Members

Anderson	Andre
Atkinson	Attewell
Beatty	Belsher
Bernier	Bertrand
Bird	Bjornson
Blenkarn	Bosley
Bouchard (Roberval)	Bouchard (Lac-Saint-Jean)
Bourgault	Boyer
Brightwell	Browes
Campbell (Vancouver Centre)	Chadwick
Charest	Clark (Brandon—Souris)
Cole	Collins
Cook	Cooper
Corbeil	Corbett
Côté	Couture
Crosbie (St. John's West)	Darling
de Cotret	Desjardins
Dick	Dobbie
Domm	Dorin
Fee	Feltham
Ferland	Fontaine
Friesen	Gérin
Gibeau	Gray (Bonaventure—Îles-de-la-Madeleine)
Greene	Guilbault
Gustafson	Harvey (Chicoutimi)
Hicks	Hogue
Holtmann	Horner
Horning	Hughes
Jelinek	Johnson
Joncas	Jourdenais
Kempling	Kilgour (Edmonton Southeast)
Koury	Landry
Langlois	Larrivée
Leblanc (Longueuil)	Lewis
Loiselle	Lopez
MacDonald (Rosedale)	MacDougall (Timiskaming)
Malone	Marin
Martin (Lincoln)	Masse
McCreath	McDermid
McDougall (St. Paul's)	McKnight
McLean	Merrithew
Mitges	Monteith
Moore	Nicholson
Nowlan	Oberle
O'Kurley	Plamondon
Plourde	Pronovost
Redway	Reid
Reimer	Ricard
Richardson	Roy-Arcelin
St-Julien	Scott (Hamilton—Wentworth)
Shields	Siddon
Sobeski	Soetens
Sparrow	Stevenson
Tardif	Tétreault
Thorkelson	Tremblay (Rosemont)
Tremblay (Lotbinière)	Turner (Halton—Peel)
Valcourt	Van de Walle
Vankoughnet	Venne
Vézina	Vien
Vincent	Weiner
Wenman	White
Wilbee	Wilson (Swift Current—Maple Creek—Assiniboia)—124

The Acting Speaker (Mr. Paproski): I declare the motion lost.

The next question is on Motion No. 11. Mr. Tobin moved:

Motion No. 11.

That Bill C-2 be amended in Clause 32 by striking out lines 19 to 25 at page 31.

The House divided on the motion, which was negatived on the following division:

(*Division No. 39*)

YEAS

Members

Allmand	Anawak
Arseneault	Assad
Baker	Bélair
Bellemare	Benjamin
Berger	Bevilacqua
Blondin	Boudria
Caccia	Callbeck
Campbell (South West Nova)	Catterall
Clancy	Comuzzi
Copps	Crawford
Dingwall	Dionne
Duhamel	Ferguson
Flis	Fontana
Gauthier	Gray (Windsor West)
Harb	Harvard
Hopkins	Jordan
Keyes	Kilger (Stormont—Dundas)
LeBlanc (Cape Breton Highlands—Canso)	MacAulay
MacLellan	Manley
Marchi	Marleau
McGuire	Mifflin
Milliken	Mills
Pagtakhan	Peterson
Phinney	Pickard
Proud	Rocheleau
Simmons	Stewart
Tobin	Vanclief
Wappel	Wood
Young (Gloucester)—57	

NAYS

Members

Althouse	Anderson
Andre	Angus
Atkinson	Attewell
Axworthy (Saskatoon—Clark's Crossing)	Barrett
Beatty	Belsher
Bernier	Bertrand
Bird	Bjornson
Blackburn (Brant)	Blenkarn
Bosley	Bouchard (Roberval)
Bouchard (Lac-Saint-Jean)	Bourgault
Boyer	Brightwell
Browes	Campbell (Vancouver Centre)
Chadwick	Charest
Clark (Brandon—Souris)	Cole
Collins	Cook
Cooper	Corbeil
Corbett	Côté
Couture	Crosbie (St. John's West)
Darling	de Cotret
Desjardins	Dick
Dobbie	Domm
Dorin	Fee
Feltham	Ferland
Fisher	Fontaine
Friesen	Fulton
Gardiner	Gérin
Gibeau	Gray (Bonaventure—Îles-de-la-Madeleine)
Greene	Grey (Beaver River)
Guilbault	Gustafson
Harvey (Chicoutimi)	Harvey (Edmonton East)
Hicks	Hogue

Holtmann	Horner
Horning	Hovdebo
Hughes	Hunter
Jelinek	Johnson
Joncas	Jourdenais
Karpoff	Kempling
Kilgour (Edmonton Southeast)	Koury
Kristiansen	Landry
Langan (Mission—Coquitlam)	Langlois
Larrivée	Leblanc (Longueuil)
Lewis	Loiselle
Lopez	MacDonald (Rosedale)
MacDougall (Timiskaming)	Malone
Marin	Martin (Lincoln)
Masse	McCreath
McCurdy	McDermid
McDougall (St. Paul's)	McKnight
McLaughlin	McLean
Merrithew	Mitchell
Mitges	Monteith
Moore	Nicholson
Nowlan	Nystrom
Oberle	O'Kurley
Parker	Plamondon
Plourde	Pronovost
Redway	Reid
Reimer	Ricard
Richardson	Riis
Robinson	Roy-Arcelin
St-Julien	Samson
Scott (Hamilton—Wentworth)	Shields
Siddon	Skelly (Comox—Alberni)
Sobeski	Soetens
Sparrow	Stevenson
Stupich	Tardif
Taylor	Tétreault
Thorkelson	Tremblay (Rosemont)
Tremblay (Lotbinière)	Turner (Halton—Peel)
Valcourt	Van de Walle
Vankoughnet	Venne
Vézina	Vien
Vincent	Waddell
Weiner	Wenman
White	Whittaker
Wilbee	Wilson (Swift Current—Maple Creek—Assiniboia)
	Young (Beaches—Woodbine)—153

The Acting Speaker (Mr. Paproski): I declare the motion lost.

• (1840)

Mr. Bouchard (Roberval) moved that the Bill, as amended, be concurred in.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the yeas have it.

And more than five Members have risen:

Mr. Gauthier: Mr. Speaker, I think you would find unanimous consent to apply the vote taken on the opposition day motion earlier today to this vote.

Mr. Riis: Mr. Speaker, I think you would find that if we are to have a standing vote, the vote that we just had on Motion No. 11 ought to be applied to the report stage motion.

Mr. Tobin: Mr. Speaker, for greater clarity, are we to understand that the vote we just had on Motion No. 11, if applied to report stage, would mean that the NDP has voted with the Government on report stage?

Mr. Riis: Mr. Speaker, I want to make it perfectly clear that on the report stage motion, yes, we are supporting the Government and that the Member for Regina—Lumsden is voting with his caucus.

Mr. Funk: Mr. Speaker, I rise on a point of order. I also want to register my vote on this question as being with my caucus.

The Acting Speaker (Mr. Paproski): The division just taken will be applied in reverse to the motion for concurrence in the Bill at report stage.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 40*)

YEAS

Members

Althouse	Anderson
Andre	Angus
Atkinson	Attewell
Axworthy (Saskatoon—Clark's Crossing)	Barrett
Beatty	Belsher
Benjamin	Bernier
Bertrand	Bird
Bjornson	Blackburn (Brant)
Blenkarn	Bosley
Bouchard (Roberval)	Bouchard (Lac-Saint-Jean)
Bourgault	Boyer
Brightwell	Browes
Campbell (Vancouver Centre)	Chadwick
Charest	Clark (Brandon—Souris)
Cole	Collins
Cook	Cooper
Corbeil	Corbett
Côté	Couture
Crosbie (St. John's West)	Darling
de Cotret	Desjardins
Dick	Dobbie
Domm	Dorin
Fee	Feltham
Ferland	Fisher
Fontaine	Friesen
Fulton	Funk
Gardiner	Gérin
Gibeau	Gray (Bonaventure—Îles-de-la-Madeleine)
Greene	Grey (Beaver River)

Guilbault
Harvey (Chicoutimi)
Hicks
Holtmann
Horning
Hughes
Jelinek
Joncas
Karpoff
Kilgour (Edmonton Southeast)
Kristiansen
Langan (Mission—Coquitlam)
Larrivée
Lewis
Lopez
MacDougall (Timiskaming)
Marin
Masse
McCurdy
McDougall (St. Paul's)
McLaughlin
Merrithew
Mitges
Moore
Nowlan
Oberle
Parker
Plourde
Redway
Reimer
Richardson
Robinson
St-Julien
Scott (Hamilton—Wentworth)
Siddon
Sobeski
Sparrow
Stupich
Taylor
Thorkelson
Tremblay (Lotbinière)
Valcourt
Vankoughnet
Vézina
Vincent
Weiner
White
Wilbee
Assiniboia)
Gustafson
Harvey (Edmonton East)
Hogue
Horner
Hovdebo
Hunter
Johnson
Jourdenais
Kempling
Koury
Landry
Langlois
Leblanc (Longueuil)
Loiselle
MacDonald (Rosedale)
Malone
Martin (Lincoln)
McCreath
McDermid
McKnight
McLean
Mitchell
Monteith
Nicholson
Nystrom
O'Kurley
Plamondon
Pronovost
Reid
Ricard
Riis
Roy-Arcelin
Samson
Shields
Skelly (Comox—Alberni)
Soetens
Stevenson
Tardif
Tétreault
Tremblay (Rosemont)
Turner (Halton—Peel)
Van de Walle
Venne
Vien
Waddell
Wenman
Whittaker
Wilson (Swift Current—Maple Creek—
Young (Beaches —Woodbine)—155

NAYS

Members

Allmand
Arseneault
Baker
Bellemare
Bevilacqua
Boudria
Callbeck
Catterall
Comuzzi
Crawford
Dionne
Ferguson
Fontana
Gray (Windsor West)
Harvard
Jordan
Kilger (Stormont—Dundas)
MacAulay
Manley
Marleau
Mifflin
Mills
Peterson
Pickard
Rocheleau
Anawak
Assad
Bélair
Berger
Blondin
Caccia
Campbell (South West Nova)
Clancy
Copps
Dingwall
Duhamel
Flis
Gauthier
Harb
Hopkins
Keyes
LeBlanc (Cape Breton Highlands—Canso)
MacLellan
Marchi
McGuire
Milliken
Pagtakhan
Phinney
Proud
Simmons
Stewart
Vanclief
Wood
Tobin
Wappel
Young (Gloucester)—56

The Acting Speaker (Mr. Paproski): Therefore, I declare the motion carried.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Fundy Royal (Mr. Corbett)—TRANSPORT—VIA Rail—Continued service of Atlantic Limited; the Hon. Member for York West (Mr. Marchi)—IMMIGRATION—Private sponsorships—Government position; the Hon. Member for Algoma (Mr. Foster)—AGRICULTURE—Farm marketing boards/Discount of farm market quotas.

[*English*]

It is my understanding that a full hour is to be provided for Private Members' Business. Therefore Private Members' Business will end at 7.44 p.m.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

FOOD AND DRUGS

LABELLING OF DRUGS

Mr. Murray W. Dorin (Edmonton Northwest) moved:

That, in the opinion of this House, the government should consider the advisability of amending the Food and Drug regulations in order to require the labelling of all drugs, irrespective of their intended use, so as to include a quantitative list of all medicinal and non-medicinal ingredients.

He said: Mr. Speaker, I first introduced this motion with the intention to speed up discussion already under way about labelling. I consulted with my colleagues in the House and I believe Your Honour will find unani-

mous consent for the House to accept a one word amendment to this motion. Therefore I move:

> That this House accept an amendment substituting the word "qualitative" for "quantitative" and that we debate the amended motion at this time in the House.

The Acting Speaker (Mr. Paproski): Is there unanimous consent?

Some Hon. Members: Agreed.

Amendment agreed to.

Mr. Dorin: It is my pleasure to begin this debate on more extensive ingredient labelling for the medicines we need and use in this country. I hope the debate will speed the efforts currently under way and change attitudes among interested parties who are already in constructive consultation with the Department of National Health and Welfare.

I have several people to thank for the information I have today. The staff and volunteers of the Allergy Information Association, especially the executive director Mrs. Susan Daglish, have provided me with excellent scientific information and case histories. Their organization is the only national organization which represents allergic individuals and health professionals in this field.

I also owe a great deal of my information on this subject to Dr. Ed Napke, chief of the Product Related Disease Division of the Department of Health and Welfare. Dr. Napke's work in public and professional education, scientific drug monitoring and study has probably done more to advance policy in drugs and allergies than any other Canadian scientist.

There have been other endorsements of my motion's intent from organizations and individuals across the country. The Alberta Hospital, Edmonton, especially the mental health hospital board, and the Association for Vaccine Damaged Children have been very supportive. The association drove home to me the fact that vaccines, too, are drugs and reinforced my belief that we have a long way to go in this country in helping patients and relatives make responsible decisions about the health care they receive.

As well, I should mention Jamie Lawson, parliamentary intern who is responsible for gathering much of the information for this motion today.

Without the efforts of these people I would have been unable to present to the House anything more than statistics and scientific knowledge. If we stuck to "just the facts", we would be missing some very basic facts.

The Non-Prescription Drug Manufacturers' Association, the Canadian Drug Manufacturers' Association and its umbrella organization, the Federation of Canadian Health Care Associations, have all written to me endorsing the principle of full ingredient disclosure.

Here are some of the facts as seen from the consumer's point of view. Currently, voluntary guidelines request disclosure of excipients causing widespread sensitivities for non-prescription drugs. Excipients for prescription drugs need only be listed voluntarily in the professional reference work, compendium of pharmaceuticals and specialties. Many companies release no such information at all. Let us consider the occasional result.

An individual does not feel well and makes an appointment with the family doctor, then stops at the drug store to fill the prescription. After bringing it home and taking it according to the directions, the individual settles down to wait to feel better. In minutes the person begins to feel something, to feel worse than during the whole day. What is happening?

What might be going on is an adverse reaction to something the person did not even know he was taking. It is something called an excipient.

As I discovered, there are literally dozens of excipients in many medicines. They do not directly serve a healing, diagnostic or protective purpose. In some cases they are meant to be the "Mary Poppins" chemicals, the spoonful of sugar to help the medicine go down. Others hold powders together in a pill form, prevent chemical reactions and decomposition, release the medicine slowly, or make a dose easy to hold, swallow, or apply.

• (1850)

Some prescription creams have up to 58 such chemicals which many used to call inactive ingredients. Unlike the medicinal ingredients which are the working chemicals that make the drug worth taking, these chemicals have long been ignored by society in many respects. The best drug testing in the world focuses mostly on the drug itself, not the excipients. Drug experiments are initially aimed at healthy animals which are chemically different

from ill humans. Even the latter studies which focus on humans will not always capture the rarer reactions to the drug in combination with different living environments.

Different companies put approved drugs in completely different "chemical packages" and frequently each firm will offer certain drugs with different flavours and in different forms.

In addition, each body is chemically different. Obviously we know casually that John and Mary are allergic to different things in different ways, but this is based in part on their different day-to-day environments in a way which is very hard to predict.

Dr. Napke pointed out:

> Man is a walking test-tube. Each time a chemical is added or subtracted the balance may be upset.

He has also been quoted on the subject of how reliable even the most respected and dependable studies are, given the setting in which they take place. Testing, no matter how professional, cannot foresee all possible adverse drug reactions. This kind of perfect world is not what this motion can promise.

What this motion can promise is a way of reducing risk to patients by keeping them and their physicians better informed. It is based on the premise that consumers have a right to know what is in a product when they buy it, not just when they take it home and use it. By letting patients, physicians, and pharmacists know what is in a given pill we can make progress on several fronts.

First, people with known allergies to foods and drugs could avoid them more easily. Let me read a letter given to me by the Allergy Information Association:

> I have a 16 month old child. She was tested after a year of problems, and corn is her major allergy. My baby is very underweight with all her sickness, only 22 pounds. She has had three ear problems in six weeks and I can't find an antihistamine/decongestant she can tolerate. Most have a corn syrup base which caused a severe reaction: hyperactivity, destructiveness, irritability, colic pain, gas, crying constantly and not sleeping. The reaction took 36 hours to leave her system after I discontinued medication. Doctors and pharmacists can't help me any more and I am at a loss. Could you recommend children's medications which are corn free?

As another example, there is currently a human rights case before the Ontario courts in which a woman was denied a permanent position at a firm because of a violent allergic reaction to ASA or aspirin during a three-month probationary period. She says that she lost her job not because she was so foolish as to take aspirin but because she took a medication which contained ASA without listing its fullingredients.

Second, labelling excipients will make diagnosis of allergies much easier. In one recent case, a 36 year old man was allergic to polyethylene glycol which is added to many drugs, shaving lotions, and milk products. One day he took a normal drug just as anyone here might. Suddenly his blood pressure dropped, he lost consciousness, and he went into a seizure. He was experiencing life threatening anaphylactic shock. His doctor phoned the manufacturer which turned down his emergency request for information. The manufacturer would not even confirm that polyethylene glycol was present in the drug until the doctor threatened to list the brand name of the medication as cause of death if the patient died.

I am sure that most Canadians, including drug manufacturers, are appalled by this story. The Allergy Information Association has sent me numerous cases of allergic reactions or other medical emergencies in which time was wasted negotiating with companies to get vital ingredient information. We cannot end all of the risk, but why not end the life threatening delays and fatal errors that can be prevented?

Even with the best will in the world, the current system is costing lost hours in people's life and work, lost dollars in the Government's medical support programs, and lost lives and wasted talents in the homes and workplaces of this country.

According to the AIA at least 20,000 Canadians suffer from an allergic reaction to a drug every year. Some 5,000 Canadians per year are actually admitted to hospital mainly because of a drug reaction. In fact, 3 per cent of all acute care admissions to hospital are due to adverse drug reactions. There are also other forms of substance intolerance such as diabetic reactions to sugar filling in pills. Persons with celiac disease react to the presence of gluten, a substance found in most cereals and in such medication as capsule shells.

The general term for allergies and these other types of substance intolerance is an "adverse drug reaction", or ADR for short. In Dr. Napke's opinion, which has been both unique and influential world-wide, ADRs should include any effect of the drug, including no positive

effect at all which does not aid in curing, diagnosing or protecting the patient.

ADRs, in other words, are what happens when a drug is not just a drug, but also a foreign and potentially harmful substance. Just how frequently ADRs occur in the general population is not clear, but surveys show that they affect between 5 per cent and 35 per cent of those in hospital.

No one can say for certain precisely how important ADRs are in part because of the lack of easily accessible ingredient information in the public domain. There are not reliable figures of lost jobs, tax burden, burden on the health care, or cost to the economy. Clearly, however, based on what information exists, we are looking at an extensive as well as a tragic problem in all these areas. It is important to bear in mind that allergies produce a broad range of symptoms. These reactions can change in intensity, triggering agency or symptom. Changes may evolve slowly or after periods of stress, pregnancy, and other changes to normal hormonal balance or from poor nutrition. It is also important to stress that allergy reactions are diverse and can be confused with many different illnesses. This makes the identification of a drug allergy even more difficult.

Beyond the all too familiar and unholy trinity of asthma, stuffy nose, and rashes, reactions can include fatigue, headache, insomnia, rapid mood changes, confusion, depression, anxiety, paranoia, hyperactivity, heart palpitations, muscle aches, joint pains, hives, hay fever, bed wetting, shortness of breath, diarrhoea, eczema, abdominal pains, and constipation.

Less common are the severe reactions including psychosis, seizures, and anaphylactic shock. Dr. Marshall Mandell, an expert in clinical ecology, has recently concluded that between 50 per cent and 80 per cent of the average day-to-day medical practice are patients with allergic reactions all too often misdiagnosed. Bearing in mind the complexities of allergies, the author of an article in the summer 1987 edition of the journal *Vitamin Supplement* made the following observation:

> One of the most important aspects of the study of allergies is the fact that they are highly individualized.

This point is particularly significant. If chemicals put in a drug affected or killed a large part of its users, we would expect the Government's regulators to ban it. In the case of ADRs, one person's drug is another one's poison. Because ADRs are individualized government regulators must still act, but they must concentrate their efforts on helping individuals protect themselves. We have to accommodate both the needs of the non-allergic person needing medicine, without standing in the way of another person's right to defend his own life and health.

If I may, I would like to give just a brief bit of information on this issue. I introduced this motion on December 15, 1986. I made it a motion because it requires only a single vote in the House and therefore can have a quick impact. It also avoids trapping the Government into language which inadvertently makes implementation difficult or impossible.

However, on August 18, 1987 it fell prey to the old danger of being talked out. Nonetheless, the debate was helpful for two reasons. In the first case, it demonstrated that this motion could attract support from all Parties. In the second case, the matter was pursued before the Standing Committee on Health and Welfare. After further hearings into drug, food and cosmetic intolerance, the committee submitted a report and a series of detailed recommendations on July 14, 1988 and demanded a reply from the Government.

Significantly, the committee recommended an approach which included labelling, but did not restrict itself to informing the public by way of labels. I accept these developments as promising, sophisticated approaches to the complexities of drug disclosure.

However, I would prefer to see labels than accompanying pamphlets or even toll free ingredient information hot line numbers printed on the package. I feel that labelling is simple, direct, and easily accessible when the key decisions are made to buy, prescribe or use a particular prescription or non-prescription drug.

During the early part of 1988 there was also considerable evidence that the Ministry was moving toward more action in drug labelling. On January 15, 1988 information letter No. 733 was issued by the Health Protection Branch of Health and Welfare on the subject of mandatory disclosure of all drug ingredients. The due date for replies to the document was only four months thereafter.

In very broad terms the information letter was suggesting that all ingredients be made public in qualitative alphabetical lists on all drug labels or in accompanying lists in the case of smaller containers.

By February the Minister for Health and Welfare would cautiously testify before the House committee that the question was no longer "should something be done?", but rather "what is practical?"

• (1900)

In August, the first company in Canada, Searle Canada Inc., voluntarily moved to reveal its excipients to the public through labelling and publications sent to the medical community.

I want to congratulate this company for taking this initiative which has two purposes; one, it demonstrates that this can be done by a company involved in the industry if it chooses to do so and, second, it paves the way for other companies which may not have yet followed suit. This fine action was praised by representatives of the industry, the Allergy Information Association and the medical professions.

Searle is reporting that the cost factors in changing labelling were minimal. I note, Mr. Speaker, that Searle has seen fit to send a representative here today from Toronto to observe this debate.

However, Searle represents only a small fraction of the market-place and the lack of consistency throughout the market limits trustworthiness of even an expanded voluntary system. The extent of labelling, what may be withheld as a trade secret and what not, the terminology to be employed; all of these matters should be standardized if the consumer or patient is to feel confident of what is there to be read.

I would like to close my remarks on a personal note. I first thought of this motion nearly two and a half years ago. I was angry about the allergy problems of my young children, angry that my wife, our doctor and I were pretty much shooting in the dark when it came to discovering what drugs they could tolerate. We got good information about the actual medicine in the children's drugs but there was generally only sketchy information about the additives, colouring, flavouring and fillers for drugs. I knew other people had the same problem but I did not really know how serious this issue was, how many people were affected and how complicated a solution would be.

I now feel that by approving Motion 437 which is before the House today we have the opportunity to do something very important. I urge all Members to support this motion and to take the matter forward. I hope that the Government will see fit to act quickly.

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I wish to begin by congratulating my colleague, the Member for Edmonton Northwest (Mr. Dorin), on his introduction of this particular motion on a subject matter which I believe is of great concern to a good number of Canadians. I want to congratulate him for seeking the consent and co-operation of other Members in terms of introducing the amendment that he started off with.

Some years ago, I believe in this Chamber, and perhaps you were here at that time, Sir, a former Prime Minister said, "Consumers have a right to know what is in a product when they buy it and not when they take it home and use it". Those were the words of the former Prime Minister of Canada, the Right Hon. Pierre Elliott Trudeau.

I wish to join with my colleague and support him in this particular motion which I think provides benefits to Canadians, particularly those who have a variety of diseases. There are approximately 3.5 million Canadians who are treated for allergic diseases every year, that is, one in six. Two million Canadians have hayfever, over one million have asthma, and one million are affected by other allergic conditions including eczema, hives and allergic reactions to food, medication and insect stings. Some allergic individuals suffer from more than one form of disease. Allergies tend to run in families. If one parent is allergic, the child has one in four chances of developing that allergy. If both parents are allergic it is likely that two out of three children will be allergic as well.

The question that we ought to pose is how are children in this great country of ours affected. Point five million children in this country have hayfever, .8 million children have asthma and .2 million children have eczema. Allergies may develop at any age, beginning as early as infancy. One in five children visiting doctors do so due to a major allergic disorder. Asthma is the most common cause of pediatric admissions to Canadian hospitals.

When allergic women are pregnant, approximately one-third have fever symptoms, one-third become worse and the condition of one-third remain the same way.

Those are some of the facts, Mr. Speaker. This amendment moved by my colleague from Edmonton Northwest provides good information to those Canadians who have an allergy themselves or have a child with a particular allergy.

We all know from previous debates in this House as well as in committees that the opposition presented to making these particular changes was also presented with regard to the Food and Drug Act concerning certain foods. In fact, opposition to labelling food came primarily from the food industry in other substantive matters which came before this House. I guess the same argument could be made here as well. I would like to go through those arguments briefly.

They said that labelling would reveal their secret recipes to the competition and that processing and cooking would change the protein structure of the ingredients to such a degree that the information would be meaningless. That is what they said with regard to the Food and Drug Act. They said that consumers would not utilize labelling because they would not bother to read them or, if they did, they would not understand the terms. They said that it would be costly and difficult to list ingredients on food packages. Those are only four arguments that were used.

In a non-partisan way I say that those arguments can be made with regard to the specific motion that we are dealing with. However, I think you will find that since the Act of 1969, whether it be pharmaceuticals or what have you, these particular arguments hold no water whatsoever. What is wrong with Canadian consumers having this knowledge about drugs? Surely there is nothing wrong with that kind of information being imparted to Canadian consumers and making it mandatory that the Department of National Health and Welfare have it included.

This is a very worthy motion, Mr. Speaker. I wish to congratulate my colleague again for bringing what I believe to be a substantive amendment to the attention of this House. I would like to congratulate all Members of the House from all Parties for the support that they wish to give to this particular motion.

We know that this motion is merely a proposal being made by a Member of Parliament expressing an opinion with regard to the changing of regulations. However, I think it goes to the heart of knowledge and information which we are imparting to Canadian consumers. Not only in my capacity as the official critic for National Health and Welfare for the Liberal Party of Canada, but also as a father and as a person who has been watching this particular matter for quite some time, I wish to concur with the comments made by my colleague and offer him my support for this motion.

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, I am happy to rise in support of the motion of the Member for Edmonton Northwest (Mr. Dorin). I want to congratulate him on his persistence in once again bringing the subject of drug labelling to the House. He is asking us to consider the advisability of amending the food and drug regulations in order to require the labelling of all drugs, irrespective of their intended use, so as to include a quantitative list of all medicinal and non-medicinal ingredients.

In the wide array of methods utilized to improve health status, the use of prescription and non-prescription drugs has played an important role and for most people the drug prescribed and used does what it is intended to do. However, for a large number of people it causes an adverse reaction and there are two possible causes for this. It is either an adverse reaction to one or more of the active ingredients in the drug in question or to one or more of the excipient ingredients in the drug. In other words, either something which is in the drug to assist the individual with their illness causes an adverse reaction, or something which is used to enable that drug to be taken causes the adverse reaction.

• (1910)

The Canadian Society of Allergy and Clinical Immunology estimates the extent of those in our society who have adverse reactions to a variety of substances and drugs. For example, 3.5 million Canadians are treated for allergic diseases. That is one in six of all Canadians. A million Canadians have asthma. A million Canadians are affected by other allergic conditions, including eczema, hives and allergic reactions to food, medications and so on. One in five children visiting a doctor do so due to a major allergic disorder. In hospitals, 20,000 patients suffer allergic reactions to drugs and 5,000 people enter hospital because of allergic drug reactions. While both

prescription and non-prescription drugs have provided major gains to Canadians, they also give rise to major problems for other Canadians.

Present regulations require that only the active or therapeutic ingredients of drugs be disclosed. The excipient or non-active, non therapeutic ingredients do not have to be disclosed at the present time even though there is evidence to suggest that they do in some circumstances cause adverse reactions in some people.

The motion put forward by the Member for Edmonton Northwest (Mr. Dorin) would require the disclosure of all ingredients, including flavours, colourants, binders, lubricants and preservatives, all ingredients of the drugs both active and inactive. All the motion asks is that consumers have the right to know what is in the prescription and non-prescription drugs they will consume. Surely, all consumers have a right to know the contents of those drugs so as to protect themselves from adverse reactions and consequences and so as to make decisions on whether or not to use the drug in question on the basis of knowledge of its content. In this way, consumers could be protected. Costs to the health system of those people who do have adverse reactions could be reduced.

A similar issue arose when regulations were put into place requiring the disclosure of ingredients of foods. The food industry was opposed to the inclusion of such ingredients on the basis, they argued, that it would reveal secret formulations of their products and that manufacturing processes changed the chemistry of ingredients so that much labelling might not be meaningful. They argued that no one read the labels. They argued that it would be costly and difficult to list the ingredients on labels. We are hearing the same sorts of concerns today from drug companies. As we have heard, though, Searle voluntarily responded to the need for disclosure, thus indicating that it cannot give rise to too large a competitive disadvantage and cost to provide that information and they should be highly congratulated for making that move.

Not only were the concerns of the food industry at the time of regulations on food products shown not to come to pass, they also did not deter the government of the day from passing the regulations in question. It is hoped on this side of the House that any concerns about the costs and other difficulties with regard to labelling will not be affected today either and that the Government will respond to this motion which, as we all know, has the support of all sides of the House.

Consumers should have the right to know the contents of the prescription and non-prescription drugs they take. Pharmacists and members of the medical profession should know of all these ingredients too so that they can advise their patients and have some confidence in the effect of the drugs which they are to prescribe.

The information in question, which the Member for Edmonton Northwest is asking to have considered for inclusion on drug labels, is already provided to the Government in the process of drug regulation. The information, therefore, is already available and already presented in a form which could be readily translatable onto a label. We need only to ensure that that information is added to the list of active ingredients on the label of drugs which are sold in Canada.

I and my Party wholeheartedly support the motion put forward by the Member for Edmonton Northwest. Canadians have a right to know the ingredients of what they are consuming. The Government of Canada owes it to all Canadians to provide them with this information in a readable and legible form at the time they make the purchase and/or the decision to use any drug in question.

The rule, Mr. Speaker, should be disclosure of the information. As I say, I wholeheartedly support the motion put forward by the Member for Edmonton Northwest.

The Acting Speaker (Mr. Paproski): The Hon. Parliamentary Secretary. Then I will recognize the Hon. Member for Winnipeg North.

[*Translation*]

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I welcome the opportunity this evening to rise in the House to speak to the motion presented by the Hon. Member for Edmonton Northwest (Mr. Dorin).

Mr. Speaker, I have a personal interest in this motion, but I would also like to take this opportunity to expand on the Hon. Member's motion and say that, in addition to the therapeutic or medicinal ingredients that are needed in order to prepare the dosage form. These ingredients include, for instance, what are commonly

referred to as excipients, lubricating agents, binders, preservatives and colouring agents.

The safety of these ingredients is generally well established and the ingredients themselves are widely used in industrialized countries. However, in recent years, a small number of non-medicinal ingredients has been associated with harmful effects in a small percentage of patients with very specific allergies.

It is not always possible to eliminate or find substitutes for these non-medicinal ingredients. In some cases, the nature of the medicinal ingredient itself limits the range of non-medicinal ingredients used with it. Furthermore, the nature of the medicinal ingredient may be such that not using a certain non-medicinal ingredient may compromise the stability of the pharmaceutical preparation. It is also a fact that substitution of a non-medicinal ingredient does not guarantee that some people would not be allergic to the substitute product.

Obviously, Mr. Speaker, individuals who are sensitive to certain substances need and are entitled to know the composition of any medication before taking it.

The Health Protection Branch of the Department of National Health and Welfare has received many inquiries from individuals, consumers' groups and health professionals, and many expressions of concern about the lack of a statement of non-medicinal ingredients in pharmaceuticals.

For many years, the food and drug regulations have required the name and amount of medicinal ingredients to be given on the label of any medication.

In recent years, representatives of the branch have worked closely with the pharmaceutical industry to determine how to inform consumers on the nature of non-medicinal ingredients in drugs.

These negotiations between government and industry have resulted in the manufacturers' associations adopting voluntary guidelines for the listing of non-medicinal ingredients. For non-prescription drugs, these guidelines specify that ingredients known to cause allergic reactions in a large number of individuals will be listed on the drug label. Since prescription products are not usually distributed to consumers in their original packaging, information on the non-medicinal ingredients will be given to the Canadian Pharmaceutical Association, which will publish it in the Compendium of Pharmaceuticals and Specialties (CPS), a publication available to physicians and pharmacists and, to a lesser extent, to consumers, in public libraries.

Although these efforts have proved useful, the concept has not been accepted by all interested parties. Furthermore, most if not all ingredients can cause allergic reactions, although very few have been found at fault. Clearly, regulatory action was necessary in order to guarantee that health professionals as well as Canadian consumers would have access to information on non-medicinal ingredients in pharmaceutical products.

• (1920)

In January 1988, the Health Protection Branch issued Information Letter No. 733, in which it proposed that the qualitative declaration of all non-medicinal ingredients on the labelling of drug products should be made mandatory. This Information Letter received ten times the usual response, Mr. Speaker. In fact, we received 155 letters. The vast majority of respondents, 140, were in favour of the proposal, while 35 disagreed, but only on the manner of disclosure of the information. Although alternatives to listing the ingredients on the label were suggested, none of these suggestions satisfied the consumer's need to have access to the information when and where the drug was purchased.

In July 1988, in its fourth report, the Standing Committee on National Health and Welfare recommended amending the Food and Drug Regulations to require a full qualitative listing of all ingredients in all pharmaceutical products. The Department of National Health and Welfare is committed to adopting provisions requiring the declaration of non-medicinal ingredients. Provisional regulations are now being drafted and will be published in Part I of the *Canada Gazette*, simultaneously with the Department's response to the concerns expressed in response to Information Letter No. 733.

In order to reduce any negative economic impact of the proposed declarations on the pharmaceutical industry, it is suggested that implementation of the new provisions be delayed. Manufacturers will then be able to

change the labelling of their products as appropriate and exhaust their existing stock of labels.

Thanks to a sensible approach to the implementation of the new regulations on drug labelling, the Health Protection Branch of the Department of National Health and Welfare will continue to fulfil its mandate, which is to protect the health and safety of Canadians.

Mr. Speaker, in concluding, I would like to add that Health and Welfare Canada was already considering a motion similar to the one presented by the Hon. Member for Edmonton Northwest (Mr. Dorin). In the spirit of parliamentary reform, the Government was pleased to let our hon. colleague present a Private Member's motion, as we did in the case of Ms. McDonald of the New Democratic Party when she was the Member for Broadview—Greenwood.

The Hon. Member, who agreed to propose an amendment to his motion so that it would meet all the Department's requirements, is to be commended for the work he has done in this respect and especially for his concern for the health of his fellow Canadians.

[*English*]

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, health safety for all Canadians is paramount. It is a basic right. I therefore rise today to speak in favour of Private Members' Motion No. 437 as amended:

> That, in the opinion of this House, the Government should consider the advisability of amending the Food and Drug regulations in order to require the labelling of all drugs, irrespective of their intended use, so as to include a qualitative list of all medicinal and non-medicinal ingredients.

The past couple of decades have seen Canada at the forefront of efforts to label products for consumer safety. We now label packaged food and textiles. Today, we consider a motion to label all drugs and drug packaging similarly to include in this labelling a list of both medicinal and non-medicinal ingredients. We, in this House, have another opportunity with this motion for Canada to play a leadership role.

Allergies are a problem for millions of Canadians and for many of them the problem can be very serious, even life-threatening. Minute amounts of a substance have been known to cause sickness and even death. The key to preventing an allergic reaction is avoidance of contact with the offending substance. Thus, it is of the utmost importance that individuals with allergies are aware of the substances to which they may be exposed.

There are two additional equally important considerations. First, a physician when cognizant of the specific ingredients in a given product is better equipped to make a timely diagnosis of an allergic reaction in a patient who is reacting adversely for the first time to that drug which has been given for some other reason.

Second, a physician is assisted in explaining a seeming inefficacy of a drug in which the action of the active ingredient is hindered or nullified by the adverse action of certain inactive ingredients in the said drug in some individuals.

Indeed, the arguments in favour of this motion are strong from the point of view of making a correct diagnosis, of evaluating an unexpected response to treatment and of preventing a medical catastrophe.

It may be argued that labelling would reveal secret ingredients to competitors; that consumers would not take the time to read the labels even if they were there; and that it would be costly and/or difficult to list ingredients on the packaging for medications.

I suggest that trade secrets ought to be subservient to consumer safety; that those with a life-threatening allergy to a substance would be diligent and take the time to read the labels; and that costs of such labelling would be minimal while the benefits would be substantial for those with known allergies.

A basic principle in patient care is informed consent. Also, knowledge by a medical doctor of all ingredients in any pharmaceutical agent taken by a patient or individual ensures the doctor's proper action in case of an emergent, adverse or untoward reaction to that pharmaceutical agent. Thus, giving those who suffer from allergies the knowledge required to make safe and wise choices of drugs is a societal obligation. Giving physicians all the information will enhance the delivery of exemplary health care to all Canadians.

Thus, today I speak in favour of a change to the regulations of the Food and Drugs Act to provide for the mandatory labelling of non-therapeutic ingredients in medications.

I congratulate my colleague the Hon. Member for Edmonton Northwest (Mr. Dorin) for introducing this excellent motion. Indeed, I am privileged to add my own and my Party's support to this motion.

Mr. Stan Wilbee (Delta): Mr. Speaker, I am pleased to have this opportunity to respond to the motion that has been put forward by the Hon. Member with respect to the labelling of pharmaceuticals. This is a current initiative within the Department of National Health and Welfare and I welcome the opportunity to advise the House of the progress it has made in this area to date.

I would like to address this motion in relation to preventive health care. The issue of drug labelling of non-medicinal ingredients has been a priority in the Department for some time. Non-medicinal ingredients are not normally associated with any action on the taking of a medication for the first time. However, in recent years the health professions and the regulatory agencies have noted that some individuals are intolerant or experience adverse reactions ranging from mild to severe, including several forms of allergy.

• (1930)

The reactions that have been reported have varied considerably. They can range from relatively minor skin rashes to generalized symptoms of fatigue, nervousness and headache to more serious gastrointestinal or neurological effects and may even result, as some Hon. Members have mentioned, in shock or death. The responsible agent is only rarely identified.

A finite number of substances used as non-medicinal ingredients in drug products are known to cause adverse reactions in sensitive individuals. A few examples of these are lactose, a commonly used filler in pharmaceutical products, the yellow colouring agent, tartrazine, sodium metabilsulphite and related compounds used as antioxidants to preserve flavour and prevent decomposition, benzoates and parabens commonly used as preservatives and gluten, a protein found in certain types of starch which must be avoided by those suffering from celiac disease.

It is evident that although only a small proportion of Canadians appear to have adverse symptoms from some ingredients, the range of reported effects is very broad. It is also clear that such ingredients are widely used in society without any discernible problems for most Canadians.

Drug products contain non-medicinal ingredients to perform various functions related to the quality, safety and effectiveness of these products. For example, non-medicinal ingredients may hold a tablet together or maintain the sterility of the product. They may contribute to the rapid release of the medication after ingestion or maintain the potency of the medication within the drug product. It is readily evident that the complete elimination of non-medicinal ingredients is not possible for all products.

Since non-medicinal ingredients are essential to the availability of safe and effective drug products, it is necessary to minimize the exposure of individuals to non-medicinal ingredients to which they know they are intolerant or allergic. The initial response of the Department of National Health and Welfare to these concerns was to solicit the voluntary support of the pharmaceutical industry. As a result, drug manufacturers' associations adopted voluntary guidelines for the disclosure of potentially harmful non-medicinal ingredients.

Prescription drug manufacturers chose to declare the content of those non-medicinal ingredients that have been clearly associated with symptoms of intolerance or allergy in some people. This information was given to the Canadian Pharmaceutical Association for inclusion in the drug monographs of the reference textbook, the *Compendium of Pharmaceuticals and Specialties*, commonly known as the CPS. Non-prescription drug manufacturers disclose the presence of selected non-medicinal ingredients known to cause allergic reactions on product labelling.

While these efforts have been helpful, voluntary labelling and other voluntary declarations have not been universally accepted. It is also apparent that there are many non-medicinal ingredients which have the potential to cause sensitivity or allergic effects. Only full label disclosure will eliminate the continuing debates over whether a particular ingredient is a sensitizing agent and should be declared. To that end, the Department of National Health and Welfare published Information Letter No. 733 soliciting comments on a regulatory proposal to require the listing of all ingredients on the

labels of all drug products. The responses to this regulatory initiative are currently being evaluated.

Some of the issues that will be reviewed prior to the preparation of regulatory amendments include quantitative as well as qualitative declaration of non-medicinal ingredients, a consistent method of declaration on the product labels, particularly with regard to the nomenclature of the non-medicinal ingredients, exemptions of certain types of products from the requirement to declare non-medicinal ingredients on their product labels and appropriate implementation of the regulatory requirements to minimize the economic impact on pharmaceutical manufacturers and on society.

Regulatory amendments will be drafted with consideration of these and other comments received. The Health Protection Branch, with the co-operation and commitment of the pharmaceutical industry, will continue its efforts to safeguard the health and safety of Canadians by providing the ingredient information needed for the informed use of drug products.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, this is just a note concerning the motion before the House. I listened with some interest to the Parliamentary Secretary. The Government of Canada is now preparing new regulations to change the existing regulations in the Food and Drug Act to do basically what this resolution wants the Government to do.

Hon. Members will notice that about 15 minutes ago, the Parliamentary Secretary mentioned that the Information Letter No. 733 to which the hon. gentleman just referred got 155 responses from the manufacturers, and 140 were in favour and 35 disagreed with the manner but did not disagree with the intent of the regulation. Therefore, now that the manufacturers agree and the companies agree, the Government of Canada is going to change the regulation to agree with the manufacturers and what the companies agree that they agree with. That is some leadership.

If that is not a good illustration of leadership, this is what the Parliamentary Secretary said further to that. She said that the regulation will be brought in later on so the manufacturers can clear out their existing labels. Those were her exact words. That is leadership. That is concern for the health of Canadians on the part of the Government of Canada.

Perhaps the Government of Canada should be showing more leadership here. Perhaps it should be more concerned about the health of Canadians as is the Hon. Member who introduced the resolution and other Hon. Members who have spoken to it. The Government should not wait for the companies to clear out their labels before bringing in the regulations that the companies agreed to bring in, really.

[*Translation*]

Mr. Maurice Tremblay (Lotbinière): Mr. Speaker, I would also like to take this opportunity to speak to the motion presented by the Hon. Member for Edmonton Northwest (Mr. Dorin), because we all know that the fact that a number of people are allergic to non-medicinal ingredients is a matter of concern to regulatory bodies, health professionals and the pharmaceutical industry.

As we know, Mr. Speaker, an allergy can be extremely dangerous and harmful. It could even cause the death of a person who ingests a substantial dose of an ingredient that causes an allergic reaction. It is harmful because it may deprive a patient of medical care and thus prolong that person's illness.

Earlier, the Hon. Member for Gander—Grand Falls (Mr. Baker) commented on the Government's lack of leadership. I simply want to say this: I don't think that the Government showed a lack of leadership by asking for the views of industry. We must remember that the Government submitted the information to this sector to get a reaction or comments with respect to the proposed changes, because after all, this is a scientific sector. It isn't always possible to get the information we want. However, in recent years, science has seen some very important developments.

Today, with this information we are now able to go ahead with these regulations and even save lives, because unfortunately, there are still too many people who have those allergic reactions and the only way to stop or prevent this, is to provide information on all drug ingredients, both medicinal and non-medicinal.

Mr. Speaker, I support this motion and I believe it goes a long way towards improving the present situation, and before concluding, I want to say that although we are all for progress, the fact remains that thanks to this information, certain findings were sent to the Depart-

ment. The Department is now trying to decide the best way to make the information available to the general public, so that it is done right and especially so that it is understood by all who will have to take those drugs.

• (1940)

So, Mr. Speaker, I close by congratulating my colleague from Edmonton Northwest, of course, for having presented this motion, for being consistent and for trying to move everything forward in the health field so that everyone—industry, professionals and government—can reach a consensus in order that everyone might be able to advance science in a concrete way, in the interest of patients and to avoid unnecessary loss of life from now on. So, once again, I congratulate my colleague. Thank you, Mr. Speaker.

[*English*]

Mr. Harry Chadwick (Brampton—Malton): Mr. Speaker, I am pleased to address the House on the issue of labelling of drug products in Canada and to apprise the House of recent regulatory initiatives taken by the Department of National Health and Welfare in this area.

The Health Protection Branch of the Department of National Health and Welfare, as part of its mandate to protect the health and safety of Canadians, has the responsibility to regulate and evaluate the labelling of all drug products. It has been a requirement of the food and drug regulations for many years that a quantitative listing of all medicinal ingredients be displayed on the labels of all drug products.

In recent years, concerns have been expressed by both consumers and health professionals on the lack of information available about the non-medicinal ingredients included in those products.

This information is especially vital to those who suffer from sensitivities to certain substances. Although the majority of Canadians are not affected by non-medicinal ingredients in drugs, some individuals experience reactions which can range from mild to incapacitating in effect.

The Health Protection Branch recognizes the special needs of those individuals who are sensitive to non-medicinal ingredients in drug products. In response to that concern, Information Letter No. 733 was issued in January, 1988, to seek a uniform and practical approach to the full disclosure of those ingredients. The information letter proposed that the food and drug regulations be amended to require the qualitative declaration of all non-medicinal ingredients on the labelling of drug products.

Responses to the information letter were received from pharmaceutical manufacturers, industry associations, health advocacy groups, health professional associations and individuals. The principle of disclosure of non-medicinal ingredients received overwhelming, if not unanimous, support.

[*Translation*]

The Acting Speaker (Mr. Paproski): The period for the consideration of Private Members' Business has now expired.

[*English*]

Pursuant to Standing Order 93 the order is dropped to the bottom of the list of the order of precedence on the Order Paper.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1989-90

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-11, an Act to provide borrowing authority, be read the third time and passed.

The Acting Speaker (Mr. Paproski): The Hon. Member for Winnipeg—Saint James has the floor. He has 15 minutes left plus 10 minutes for questions and comments.

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, I was interrupted by the clock at 6 p.m., 1.45 hours ago. I would like to repeat two or three of the points I made before six o'clock. I was talking about the CBC, which is more than 50 years old. It has been serving this country for more than half a century. It was established by a Conservative Government and a Conservative Prime Minister, R. B. Bennett, who saw the wisdom of establishing a public broadcaster in this country. One of the major reasons, in fact, the major reason Mr. Bennett believed in establishing the CBC was because of the fear

of the influence of American programming from across the border. In those days it was radio, not television. Mr. Bennett and the Tories of the time saw a threat. They wanted a public broadcasting system to offset that threat and offset that American influence. They went ahead and established the CBC.

Over the last 50 years and more the CBC has established an extremely enviable record. Unfortunately, many Canadians have begun to take the CBC for granted. We cannot take the CBC for granted any more, particularly in the face of the Budget, and particularly in the face of the proposed cuts in the Budget which will run to $140 million over the next four years. That is simply too much for the CBC to take, particularly when one considers that the CBC has been suffering cuts for a good while, not only in the last 12 months, but perhaps for more than five years.

The President of the CBC has also stated that he is alarmed about the proposed cuts. I wish to refer to a newspaper article of some time back with the headline: "CBC fears loss of entire network". In that particular regard the President was talking about Radio Canada International. The article states:

> He says Finance Minister Michael Wilson's budget will make the CBC unrecognizable in four years from now, and argued if the possible shutdown of stations or even entire networks is what the Government wants, it must help wield the axe.

We know that the Hon. Minister has stated otherwise. He stated that he decides on the cuts and decides on this bad medicine, but it will have to be the board of directors of the CBC and the bureaucracy within the CBC which will have to administer the bad medicine.

The article further states:

> —the $140 million in fresh cuts in CBC funding announced this week are "immoral" and "devastating" and will confront the publicly-owned system with options that are "horrible" to contemplate.
>
> "If these cuts are actually finalized, the CBC will not be recognizable four years from now," he said in a telephone interview.

That is the type of evidence adduced and brought forward by the President of the CBC. He should know what he is talking about.

It would be a tragedy if these cuts were effected in such a Draconian manner. We need both the radio network and the television network of the CBC. I hear the Tories mumbling and grumbling.

Mr. McDermid: You are doing the grumbling.

Mr. Harvard: It is too bad that the Tories have been Americanized in the past few years. They can have the republican system, and the private radio systems from the States. They can have the private television networks, and they will get with it all the junk that the Americans have become so famous for in television and radio—junk! The CBC is far superior to that stuff which comes across the border.

Mr. McDermid: The CBC buys all those junky programs from the United States.

Mr. Harvard: What junky programs?

Mr. McDermid: The CBC buys them. Watch it.

Mr. Harvard: Oh, yes? Only because people like you try to starve the CBC.

Mr. McDermid: One billion dollars is starving?

Mr. Harvard: You don't know what it costs to run a network. You have no idea.

Mr. McDermid: Neither does the CBC.

Mr. Harvard: The CBC brings this country together. This is a huge country with a massive land mass. We do not have a great many people, only about 26 million or 27 million. It takes a public broadcasting system devoted to bringing the people together, to celebrate our differences, to tell us the Canadian story. That is what a Canadian public broadcasting system can do. The private sector cannot do that. That is not to criticize the private sector. The private sector has a different preoccupation. It has a different target. Companies are in it to make a profit. They are there to attract advertising. Their whole notion concerning programming is entirely different.

• (1950)

I am not here to quarrel about private broadcasting and its need to make a dollar. I do not quarrel with that for a moment.

Mr. McDermid: Where have you worked all your life?

Mr. Harvard: I will tell you, sir, I worked in the private sector for 13 years and I worked at the CBC for 18 years.

I happen to know something about both systems. There happens to be a place for both of them, something Tories cannot seem to understand.

The Acting Speaker (Mr. Brightwell): I would ask the Hon. Member to address the Chair and perhaps get on with his dissertation rather than arguing with other Hon. Members.

Mr. Harvard: Thank you, Mr. Speaker, and I apologize. I certainly meant to speak through you, Sir, to those Members opposite. I get my dander up because I do not know where Members opposite live. I do not know whether or not they live in a swamp, in a bush or somewhere on the moon. This is a great country. One of the reasons why it is a great country is because we have the Canadian broadcasting system. It has been said many times, and something which I did not say first, if we did not have the CBC someone would have to invent it. That is the absolute truth.

The Tories wake up to the CBC. However, they do not even realize that they are receiving information programming on radio in the morning. There is the Gzowski show between nine and 12. *As It Happens*, which is a venerable show, has been on the air for about 20 years. The CBC has some of the greatest television programs that will ever be seen. Does *The National* have an equal? Does *The Journal* have an equal? I doubt it very much.

The National and *The Journal* are high profile shows. They are watched by millions of people, including Tories. They like the CBC except when they walk into this Chamber. Something happens to them then. They lose their marbles.

There are also programs like *Fifth Estate* which has probably been on the air for something close to 15 years. It is one of the finest programs one will ever see. *Man Alive* has probably been on the air for more than 20 years. I could go on and on with regard to the kind of service the CBC provides.

Do you know what, Mr. Speaker? I feel passionate about this, not because I worked there but because of the vital role it plays and because, unfortunately, a great many Canadians have taken the CBC for granted. Not only that, but the CBC has been guilty of not blowing its own horn. I wish that over the years the CBC had adopted some of the free enterprise promotion that has made private radio and television stations so successful. I do not think the CBC has done a very good job of blowing its own horn.

In these difficult times it is people like those of us in the Opposition, we Liberals, who have the responsibility to come to the defence of the CBC.

I read an article in *The Globe and Mail* written by some chap from London, Ontario. It left me incredulous. He said that CBC programming was boring. When we think that probably three million Canadians on average watch *The National* and something over two million Canadians watch *The Journal* every night, that is really boring, right?

There are some famous drama productions that have appeared on the CBC such as *Anne of Green Gables*.

Mrs. Dobbie: You named one, good.

Mr. Harvard: I could run down a list a lot longer than that, I remind the Hon. Member for Winnipeg South (Mrs. Dobbie). Does the Hon. Member not wish that she represented Winnipeg South Centre?

CBC programming is not boring. Canadians have shown over and over again that they appreciate the work of the CBC, that they appreciate the programming that is provided by the CBC. We have to come to the defence of the CBC.

Another point I want to raise has to do with possible commercials on CBC Radio. As you know, Mr. Speaker, a number of years ago there was advertising on CBC Radio. Then, through some strategic moves—

Mrs. Dobbie: By the Liberals?

Mr. Harvard: Yes, of course, by the Liberals. Who else? There was a good decision to take commercials off CBC Radio.

Mrs. Dobbie: And let the taxpayers pay.

Mr. Harvard: The Tories simplify. They cannot seem to grasp what the CBC is all about. They cannot grasp what public broadcasting is all about.

When commercials are taken off a radio network, something which was done a number of years ago, the *raison-d'être* of the corporation or the radio network in particular has changed. The type of programming that draws advertisers does not have to be conducted. Mass appeal programs do not have to be broadcast. In the main, programs of public service can be carried out, programs that the private sector cannot air. That is not

to damn the private sector. It has a different reason for its existence.

That is the reason why we need the CBC and why we a non-commercial CBC radio network.

There was a rather prominent Tory from my province who asked in committee a few weeks ago what would be wrong with putting commercials on CBC Radio. There would be a lot wrong. Putting commercials on it would change the whole character of CBC Radio.

I would now like to deal with the Canadianization program at the CBC. The CBC has been trying to increase the amount of Canadian programming in prime time viewing hours. The objective of the CBC over the last few years has been to increase Canadian content in prime time to about 95 per cent. That is a laudable goal. It is a difficult goal to achieve, particularly in these times. I think that right now Canadian content in prime time on the CBC television network is somewhere between 85 per cent and 90 per cent. It still has a short distance to go.

It is apparent in the wake of the cuts announced in the Budget that the increase in Canadian content in prime time is going to have to be slowed down. The corporation will not reach its target. That is too bad because it was a laudable goal. The CBC had really hoped to achieve it, but it is now impossible. It simply costs a lot more money to produce Canadian content programs than to buy that cheap stuff from the United States. To a great extent what the Americans are doing is using Canada as a dumping ground to dump some of that stuff. Unfortunately, the corporation because of its financial restraints does not have any choice.

I can assure you, Mr. Speaker, if CBC people had their druthers, they would like to have a lot more Canadian content programs.

Mrs. Dobbie: Mr. Speaker, I would like to ask the Hon. Member a question about the practices of the CBC as a Crown corporation. It is my understanding that in the provinces, when a member of the Crown corporation leaves to go into public service it is frequently the practice to give them a leave of absence for five years and then take the person back. Is that the practice of the CBC? The Hon. Member should be able to tell me since he was a member of the CBC employment force when he ran for office. Perhaps he could tell the House if it is the practice of the CBC to take ex-employees back if they have served time in the public service?

• (2000)

Mr. Harvard: Mr. Speaker, I can tell the Hon. Member for Winnipeg South (Mrs. Dobbie) that I am not aware of the CBC granting anyone a long leave of absence. I know that the CBC has granted people leaves of absence for two or three months, but when she is talking about a Member of Parliament who will be away for at least four or five years, I have never heard of such a thing. I can assure you that I have no intention of returning to the CBC.

Ms. Langan: Mr. Speaker, I think it is sad that those four Members opposite find it great sport to heckle. I think they possibly missed the point the Hon. Member was making, that the CBC is like VIA Rail, it is the glue that keeps this nation together.

I wonder if the Hon. Member would consider reiterating his position so that they might give him the courtesy of listening.

Mr. Harvard: Mr. Speaker, I thank the Hon. Member for the question. I would be very happy to repeat a couple of things I said. In a democracy like ours in Canada, I think the CBC is indispensable. We need a public broadcaster that will disseminate information. The free flow of information is absolutely essential to a democracy and if we have a strong democracy in this country, which I believe we do, one of the reasons for it is the CBC.

Canadians are well informed. They are enlightened and know the issues. They know how bad the Government is, and they know how good the Opposition is.

We need the CBC to do that kind of programming. More than that, the Canadian story is complex, the Canadian story is many faceted. It is multi-dimensional. It reaches out to the farthest corners of the country. We need a public broadcaster like the CBC to bring us together and to celebrate our differences, to tell the Canadian story. It is a great institution which has done a wonderful job. I hope it will continue to do that job, but it needs our support.

Mr. Malone: Mr. Speaker, I think the central theme to the Hon. Member's speech is not to cut CBC because of the good things it has been doing. He gave us *Anne of Green Gables* as an example of good programming. I would be surprised if he would find any significant

percentage of Canadians anywhere who would disagree with him.

He said that *The Journal* was good. We all have variations, and some will question and doubt one program or another, but we need to recognize that it costs $1 million a week for the program.

The pertinent point I want to put to the Hon. Member is that it is not simply a question of whether something is good and should not be cut. That question can be asked of every agency of government. The fundamental question is whether or not the country has a problem with the deficit. The fact is that we are spending 30 cents of every dollar simply to pay for the interest on the debt and if we do nothing, it will rise to over 50 cents by 1993. Does the Hon. Member not see that as a problem? If so, what would he cut?

Is the debt a problem to this nation and its future, and if the answer is yes, what would he trim to bring it into balance?

Mr. Harvard: Mr. Speaker, I thank the Hon. Member for those questions. They are appropriate and responsible questions.

I am concerned about the deficit. I wish the Tories had been concerned in the last four or five years. One of the reasons we have a problematical deficit is that the Tories allowed the debt to rise almost 100 per cent in the last four or five years. If they had not allowed the $170 billion to rise to $340 billion, we would not have the deficit we are facing today.

The Hon. Member asks where I would cut. I say to the Hon. Member for Crowfoot that first you have to establish priorities. I question the Government's priorities when it proposes to make cuts of $140 million over the next four years to the CBC. It should be looking at interest rates. If the interest rates were not so high we would not have such a high deficit.

The Hon. Member for Winnipeg South giggles.

Mrs. Dobbie: Because you are silly.

Mr. Harvard: They do not like to hear the truth and the facts. According to economists, the high interest rates have probably added some $3 billion to $5 billion to the deficit. If the Government would address the high rate of interest perhaps some of the other things would come into place. It has not done that.

Mr. Malone: Mr. Speaker, all I can say is that the rhymlesser, the timelesser, the worser the free verser. I can hardly believe that someone so recently from the Liberal past could come here after August of 1981 when interest rates were 21.75 per cent at the Bank of Canada, 25 per cent for consumer loans and over 30 per cent for many other card loans, and talk about this period of time as one of high interest rates. He knows full well that the pressures on interest rates are world-wide, including in Japan, the United States, Europe and elsewhere.

I put the question to him again: What would he cut? If the country is in debt he has to be able to respond. If he is going to respond seriously to the question, what would he cut?

Mr. Harvard: Mr. Speaker, I think I have adequately answered the question already. I think the Hon. Member is misinformed, as usual. It is getting to be a disease on that side of the House.

There is no disputing the fact that we had high interest rates in the early 1980s. The entire western world was in an economic mess and the Canadian economy was sucked into that. For the last four or five years western economies have been doing very well. We should have been doing much better than we were.

As a result of the foolhardiness of the Government, the debt rose. In the last number of months, particularly since the election, there has been an unconscionable rise in interest rates. That is your answer.

• (2010)

Mr. Mills: I am not really convinced that you understand how important this issue is on the other side of the House. I have just been reading from the Atkinson Lecture of Mark Starowicz at Ryerson Polytechnical Institute on March 12, 1985. This is just a short preamble and then I will address my question to my colleague whose passion for the CBC has to be respected by everybody in this House because it is a very important institution. However, here are some facts:

> Canadians now spend over half their leisure time watching television. That is an average of 23 hours of television per Canadian per week — By the time our children reach the age of 12, they will have

spent 12,000 hours watching television, more time than they will have spent in school.

I would like to give another recommendation from Mr. Starowicz who is a respected man in this industry and by all Members of the House. He talks about the political broadcasting system being one of our great defence systems for our sovereignty. He makes this statement: "Fifty per cent of Canadian television should happen on the Canadian broadcasting system within the next five to 10 years. This is simple dignity for nationhood."

I would like to ask my colleague who has been a member of the industry for many years if he feels that this is at all possible with the way the national Government is treating the CBC today.

Mr. Harvard: Mr. Speaker, I thank the Hon. Member for his question. No, I do not think it is possible for the CBC to continue in the way that it has for the last few years in the face of these cuts. Television is a very, very expensive business. It takes a lot of resources to do the kind of programming that one expects of a public broadcaster. I repeat, through you, Mr. Speaker, to the Hon. Member, that it was no less a personage than the president of the CBC, Mr. Juneau, who said that if these cuts go through, the CBC will become unrecognizable, that the cuts would be devastating. That is the kind of evidence that we must consider.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the yeas have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Call in the Members.

The House divided on the motion, which was agreed to on the following division:

(Division No. 41)

YEAS

Members

Anderson
Atkinson
Beatty
Bernier
Bird
Blackburn (Jonquière)
Bosley
Bouchard (Lac-Saint-Jean)
Boyer
Browes
Chadwick
Clark (Brandon—Souris)
Collins
Cooper
Corbett
Couture
de Cotret
Dobbie
Dorin
Ferland
Friesen
Gibeau
Greene
Gustafson
Hicks
Holtmann
Horning
Johnson
Jourdenais
Koury
Larrivée
Lewis
Lopez
MacDougall (Timiskaming)
Marin
Masse
McDermid
McLean
Mitges
Moore
Oberle
Plamondon
Pronovost
Reid
Ricard
Roy-Arcelin
Scott (Victoria—Haliburton)
Sobeski
Sparrow
Tardif
Thorkelson
Tremblay (Lotbinière)
Valcourt
Venne
Vien
Weiner
White
Andre
Attewell
Belsher
Bertrand
Bjornson
Blenkarn
Bouchard (Roberval)
Bourgault
Brightwell
Campbell (Vancouver Centre)
Charest
Cole
Cook
Corbeil
Côté
Darling
Desjardins
Domm
Feltham
Fontaine
Gérin
Gray (Bonaventure—Îles-de-la-Madeleine)
Guilbault
Harvey (Chicoutimi)
Hogue
Horner
Hughes
Joncas
Kempling
Langlois
Leblanc (Longueuil)
Loiselle
MacDonald (Rosedale)
Malone
Martin (Lincoln)
McCreath
McKnight
Merrithew
Monteith
Nicholson
O'Kurley
Plourde
Redway
Reimer
Richardson
St-Julien
Shields
Soetens
Stevenson
Tétreault
Tremblay (Rosemont)
Turner (Halton—Peel)
Van de Walle
Vézina
Vincent
Wenman
Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)—115

NAYS

Members

Allmand	Althouse
Anawak	Angus
Arseneault	Baker
Bélair	Bellemare
Benjamin	Blackburn (Brant)
Caccia	Callbeck
Catterall	Clancy
Comuzzi	Crawford
Dingwall	Ferguson
Fisher	Flis
Fontana	Foster
Funk	Gardiner
Gauthier	Grey (Beaver River)
Harvard	Harvey (Edmonton East)
Hovdebo	Jordan
Keyes	Kilger (Stormont—Dundas)
Kristiansen	Langan (Mission—Coquitlam)
LeBlanc (Cape Breton Highlands—Canso)	MacAulay
MacLellan	Malépart
Manley	Marchi
Marleau	McCurdy
McGuire	McLaughlin
Mifflin	Milliken
Mills	Mitchell
Nystrom	Pagtakhan
Pickard	Proud
Riis	Simmons
Skelly (Comox—Alberni)	Stupich
Taylor	Tobin
Vanclief	Waddell
Wappel	Young (Gloucester)
Young (Beaches—Woodbine)—63	

[*Translation*]

The Acting Speaker (Mr. Paproski): I declare the motion carried.

Bill read the third time and passed.

• (2050)

[*English*]

Mr. Riis: Mr. Speaker, I rise on a point of order. Considering the progress we have made today, I think you might find unanimous consent to call at ten o'clock.

Mr. Lewis: Mr. Speaker, I hate to do this. I too appreciate the progress we have made, thanks to co-operation from the opposition Parties. However, I would give the undertaking that once we are through a brief debate to complete second reading stage of Bill C-9 we will call it ten o'clock.

* * *

BANK ACT

MEASURE TO AMEND

The House resumed from Wednesday, April 26, consideration of the motion of Mr. Loiselle that Bill C-9, an

Act to amend the Bank Act, be read the second time and referred to a legislative committee, and the amendment of Mr. Rodriguez:

> That the motion be amended by deleting all the words after the word "that" and substituting the following therefor:
>
> "Bill C-9, an Act to amend the Bank Act, be not now read a second time but that it be read a second time this day six months hence".

The Acting Speaker (Mr. Paproski): The Hon. Member for Port Moody—Coquitlam has the floor.

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I want to begin by thanking the Government House Leader for giving me this opportunity.

I would point out that when I last rose to give this speech on April 26, 1989 there was a problem. It was the evening of the budget leak. As I rose to speak, I was interrupted by the Government House Leader who moved that the House continue to sit beyond the ordinary hour of adjournment for the purpose of continuing consideration of second reading of Bill C-9, an Act to amend the Bank Act. That really was not the truth at all. The Minister was trying to keep the House going because of the budget leak.

I want to quote the remarks I made at that time because they were rather prophetic. As reported at page 1001 of *Hansard*, I said:

> He is absolutely right. When you play those kinds of games it comes back to haunt you in this House—

Now I would like to continue my remarks on the Bank Act, and I will pardon my colleagues if they wish to watch me from other places.

The Hon. Member for Nickel Belt (Mr. Rodriguez), our Party's critic in this area, has already made his speech. It was a very exciting speech and I will try not to repeat too much of what he said.

Mr. Friesen: Any of it.

Mr. Waddell: Our position, to be serious for a moment because this is a very serious matter, is that the banks have been gouging their customers for years on service charges. There is so much gouging going on that the Canadian public rose up and started to complain about this. Complaints came from everywhere, including from the Chairman of the Finance Committee.

The Government set up a special committee to look into changes to the Bank Act to deal with these bank service charges. The committee reported and, unfortu-

nately, the Bill had no teeth when it came back to the House.

This Bill is the same as Bill C–140 which died on the Order Paper just before the last federal election, though small business is included in this Bill. We in the NDP opposed Bill C–140 and we are also opposed to this legislation.

We oppose this Bill for a number of reasons. The Bill provides few guarantees for customers and small business against unfair service charges and does nothing to keep fees and increases under control. Hon. Members will recall a famous National Film Board short movie which won an award years ago. It was a cartoon about a person who went into a bank and was terrified. Things have not changed very much. People are not terrified of going into banks, but they are still getting ripped off while the banks are making immense profits and are the most protected of industries in Canada. Not for them wild competition, not for them the free market. They want to be protected and they also want to be able to charge as much as they can possibly get away with. They have certainly got away with a lot, and they will continue to get away with a lot after this Bill becomes law.

The Government laboured and brought forward this mouse of a Bill. The principle is that the banks can be trusted to keep service charges in line. In other words, they will self–regulate themselves. The Government took that same position on interest charges on credit cards. The charges came down a little bit when Parliament put a lot of pressure on the banks, and as soon as Parliament recessed the interest charges climbed back up. We say that one cannot trust voluntary compliance through the banks on the matter of service charges, and that is the first weakness in the Bill.

• (2100)

The second weakness in the Bill is that there are a number of charges that the Bill does not remove, which it could remove, such as charges for deposits and withdrawals, charges for cashing NSF cheques, charges for closing accounts, charges for maintaining a minimum balance, charges for providing the current balance on an account, and charges for errors made by the bank. The banks make an error, and you pay. You close your account, you pay. You don't have the right minimum balance, you pay.

We also object to the self–monitoring provisions in the Bill. I will address that in a moment. Hopefully, if I have time at the end of my speech, I will add some positive measures that could be taken in the House to oppose gouging by the banks on service charges.

First, the weakness in the Bill and the concept of voluntary compliance. The legislation does not force the banks to do anything about their service fees, except have them disclose the charges and notify their customers about increases or new fees. I gather the philosophy is, if the customers do not like it, they can go to another bank. Except, the problem is that the other bank will have the same service charges and fees.

In the case of small businesses, banks are not required to disclose all the charges, but only those defined as a "core list".

The Government bases this approach on the assumption that the disclosure and notification of charges will open up competition. This does little for a customer who has a mortgage or a small business that has a loan with a bank. They cannot just walk out of that bank. They would have no option but to accept the increases because it would cost them too much to transfer their loan or their mortgage.

In terms of voluntary compliance, the banks' past record has not been good. By all accounts, 1988 was a banner year for the banks. The Royal Bank had a net income of more than $700 million; the Bank of Nova Scotia's income was $506 million; and the Canadian Imperial Bank of Commerce had record earnings of $591 million. Despite those huge earnings, the banks did not hesitate to raise service charges. The Royal Bank raised 15 of its service fees on November 1 by 4 per cent to 6 per cent, with the cost of writing an NSF cheque going up 12 per cent. I am not condoning writing NSF cheques, and certainly would not do it myself—not knowingly, anyway, Mr. Speaker. However, the charges are excessive for that accident happening, which does happen to the majority of people.

In 1987 the five major banks collected more than $1 billion from bank service charges. We need to ask then, can we really trust the banks to voluntarily keep their service charges in line, which this Bill does?

I mentioned some of the charges that are put on that this Bill does not remove, which could be removed. The Bill does not prohibit those charges, for example, for closing an account, for maintaining a minimum balance, and so on. We should have legislation that forces the

banks to provide a basic no-frills account which would provide basic services free of service charges. The banks are making enough money from investment of our money that they could afford to do this. The recommendation for a no-frills account was a central feature of a study of service charges conducted by the Finance Committee in the spring of 1988.

I mentioned self-monitoring of banks. If customers are not happy with the way complaints are made to banks, they can contact the Office of the Superintendent of Financial Institutions in Ottawa. The Superintendent of Financial Institutions looks good on paper, but the problem is that it is not a real guarantee at all. The Superintendent of Financial Institutions may have a big name, but he or she does not have a mandate to protect consumers. In fact, the Office of the Superintendent is there to ensure that financial institutions remain solvent, not to be an appeal as an ombudsperson on bank service charges.

This Bill will only create more pressures for an agency that is already overworked. More important, the Superintendent's job is to ensure that banks stay in business, not that they satisfy customers. It is possible to imagine how those two interests could conflict.

What are we proposing, because one has to be positive as well as negative? We would accept the recommendations of the Finance Committee, such as to require the provision of free basic banking services. That is the basic no-frills service, to prohibit certain unfair charges such as the minimum balance charge and the charge-back for cashing an NSF cheque. We would agree to those recommendations; however, they do not go far enough.

In addition to what the Finance Committee proposed, we would propose a freeze on all bank service charges for one year. Why? Well, service charges have increased over the past five years at an annual rate of 19 per cent. The banks are making $1 billion a year from those bank charges. An argument can be made that the banks have over-charged consumers and should be prepared to give customers a break for one year.

There have been precedents where federally regulated corporations have been required to compensate consumers when over-charging is demonstrated. For example, the CRTC has made a number of rulings *vis-à-vis* Bell Canada where consumers have received money back from Bell.

We would suggest the establishment of a financial services ombudsperson empowered to perform consumer advocacy, referee and long-term policy advice with the banks. This office would be an independent entity with a toll-free number in order that consumers across Canada could call with complaints. We live in the modern world, and that could be done. It would also advise Parliament regularly on consumer relations in relation to financial services.

The Hon. Member for Nickel Belt (Mr. Rodriguez) has tabled a private Member's Bill in this Parliament to implement the recommendations of the Finance Committee and to implement the proposal of a one-year freeze and a financial services ombudsperson. The Hon. Member's Bill would extend those guarantees to all customers and small businesses. His Bill would set up a no-frills account that would not have charges for deposits and withdrawals, for cashing an NSF cheque, or for maintaining an account. Second, a personal account will not charge customers for deposits and withdrawals, for maintaining a minimum balance, for cashing NSF cheques, for closing an account, or for errors made by the bank. Third, there would be a freeze on bank service charges for one year. Fourth, it would create a financial services ombudsperson.

These are positive recommendations that would bring some justice for consumers. The banks have made a lot of money in over-charging and gouging people on service charges. It is about time that we took concrete action. We do not know why the Government is not doing that. There is public pressure from consumers for a fair shake here. The banks have been making a pile. They are heavily protected in the Canadian environment. It is not a free-market economy for them. They get together and do their thing and fix service charges. It is no accident that they all have the same policies. There is not going to be competition there. We need more teeth in this Bill. This is not half a loaf, it is about a tenth of a loaf. We want the whole loaf.

The Acting Speaker (Mr. Paproski): On questions or comments the Hon. Parliamentary Secretary to the Secretary of State for External Affairs.

Mr. Boyer: I listened to the former resident of the lakeshore and his thoughtful speech about the present relationship between consumers and banks, and thought there were many good suggestions made. Not directly touched on by the Member in his speech, but nevertheless a point on which the Member may wish to comment, is the report in the press today with respect to the relationship between political Parties and banks providing credit cards with a discount rate for Party members who use those credit cards. This is something which has been entered into between the Liberal Party of Canada and the Royal Bank of Canada, and apparently between the Ontario New Democratic Party and the Bank of Montreal. I certainly hope that our Party would not enter into that type of arrangement.

• (2110)

However, I want to ask the Hon. Member who has brought a lot of common sense to the subject tonight in his speech what his view is of that type of formal relationship between a political party and a credit card issuing company to provide affinity cards and whether he thinks that is appropriate. Does it not in fact set a double standard which Canadian consumers might justifiably criticize when seeing political parties using their relationships with banks to extract for the benefit of party members who are also card holders an interest rate that is fully 1 per cent lower than that which is charged to other customers of the bank?

Mr. Waddell: Mr. Speaker, I thank the Hon. Member for his question. I note that he pointed out that I come from Toronto Lakeshore. I have been trying to hide the fact that I really do come from Toronto in all the years in which I sought election in western Canada. However, there have been some events in the last few months that have made me say that I am proud of my origin in Toronto. It is in the great Province of Ontario which has a lot of representation from my Party.

With respect to the credit cards, I disagree with the Hon. Member. I will be honest and straightforward with him. I do not think the fact that my Party and New Democrats are able to get a credit card through the banks is going to stop us in any way from criticizing the banks. I do not mean to say that the Hon. Member was directly saying that, but there may have been that implication. After all, I just stood up for some 20 minutes and kicked the bejabers out of the banks. I do not think we will have a conflict. I do not know what the Hon. Member's wallet is like but mine is full of credit cards, although probably not with as many as his. We live in a modern world. We use credit cards. There is no sense ignoring that. If we can negotiate a deal with a Canadian bank by which we get a good deal for our Members who are using credit cards anyway, then let us face it, there is not anything wrong with that. As a matter of fact, I think it makes good business sense, something for which I would like to see my Party noted.

Mr. Boyer: Mr. Speaker, I was neither suggesting that this arrangement would preclude or prevent New Democrats from criticizing the banks, nor that there is something wrong with having an agreement between a Canadian political party and one of the banks with respect to affinity cards. The point I was making was why should that agreement provide for a lower rate than that which is paid by other consumers. As he said, he spent 20 minutes denouncing the banks. Why does he not continue with some of the logic that is there and carry the force of his argument through consistently and in this Chamber turn the mirror on himself and his own Party and accept that this is an area in which the New Democratic Party has made a mistake? I will repeat it here on the floor of the House. I would never support such an arrangement between the Progressive Conservative Party of Canada and a credit card company. I think Canadian consumers would certainly look with jaundice and a heightened sense of dismay at political parties negotiating that type of reduced rate of interest for party members, whether it is the New Democratic Party or the Liberal Party—

Mr. Funk: They finance your elections.

Mr. Boyer: —compared with what consumers pay. I want him to answer that specific question.

Mr. Waddell: Mr. Speaker, I admire the Hon. Member very much. He is one of the stronger Members of this House. However, let him not be holier than thou. His Party receives contributions from banks and so on. Will his Party now stop accepting those contributions in an election campaign? Will it stop accepting contributions

from companies and so on? It is absurd for the Hon. Member to have a holier than thou attitude. He is trying to nail us in this area as if we will be defensive and say: "Oh yes, we made a mistake". I do not think that we have made a mistake. I think that we got a deal for our Members through a negotiating process. It is open to other Canadians and other groups to negotiate these deals as well. There is no double standard, as he calls it. There is a straightforward standard. The standard is that we live in a modern world in which we use credit cards. We are members of groups which can negotiate certain rates. The Hon. Member probably gets a corporate rate when he rents a car from Budget. Or does the Hon. Member turn that down because it is discriminatory of others who cannot obtain that rate? Let us not be holier than thou.

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, I rise today to address the proposed amendment to the Bank Act, specifically Bill C–9 and its corresponding regulations.

The Bill was introduced to the House of Commons on April 13, 1989, by the Minister of State for Finance (Mr. Loiselle) and was the result of extensive reviews conducted by the House Standing Committee on Finance during 1988.

This Bill, as we are all aware, is the second effort of the Government to introduce legislative changes respecting banking service charges. The first effort, Bill C–140, having died on the Order Paper due to the fall election, was similar in content to the present Bill before us. There are some minor modifications, the dominant one being the introduction of business deposit accounts in the legislation. That is the basic difference between these two proposals.

Although Bill C–9 does address some of the concerns expressed by organizations such as chartered banks, consumer advocate groups, banking associations, trust companies, credit unions, the Superintendent of Financial Institutions and the Minister of Corporate Affairs, the legislation falls short of adequately addressing all concerns expressed by these groups. Indeed, the legislation falls short of proposing many of the recommendations of the House of the Commons Standing Committee on Finance.

Perhaps the Bill could be viewed as a good start, but certainly it is not complete in its approach to the governance of banks in Canada. There are a number of areas in which the proposed legislation is deficient.

I wish to take this opportunity to review these concerns, concerns that are not only mine but also those expressed by business, citizens and bank organizations. I bring these matters forward in the hope that Hon. Members opposite will agree with the importance of these concerns and make some serious effort to amend Bill C–9 prior to its final passage so that these matters will be adequately addressed.

Bill C–9 reduces the need for banks to disclose to both personal and business deposit account holders the various charges for services rendered by the bank. Further, the Bill and, in turn, its regulations provide guidelines for the timing of disclosures of charges.

Although this is a much needed introduction, it does not go far enough to provide specific details to be followed by banks for such disclosures. The banks have argued that due to various types of accounts it would not be possible simply to place signs in branches advising the charges of the bank. The proposal would permit the use of brochures to advise account holders of various service charges. The question remains: Does the banking system need to be so complicated that it is not possible for the banks to provide simple instructions to its customers? Is it necessary to produce volumes of brochures on service charges? If the sign method is too complicated, how do banks intend to keep the brochure method an easier way of disclosing service charges?

The Bill and its accompanying regulations should specify the form of disclosure required to comply with the legislation. According to this legislation, we would permit the banks to draft and circulate their own brochures on this very important matter. If it is our intention to provide the understanding of bank service charges and if it is our intention to ensure quantity of this information, then surely it must also be our intention to ensure quality of the information to Canadians. We will not be able to achieve the goals for improved disclosure to individuals if we are not ready to regulate the disclosure content to ensure the information is frank and honest.

• (2120)

The legislation is silent on the issue of charging penalties against individuals and businesses for depositing non-sufficient funds cheques.

Although the banks have recently been more willing to accept the concept of no penalties for NSF cheques on personal accounts, they are still reluctant to waive the penalties in such instances on business accounts. I am sure we must all agree that when either the individual or a business accepts a cheque, the recipient should not be penalized because the cheque has not been issued in good faith and turns out to be NSF. One may suggest it is only a nominal charge, about $10, but this impacts on the individual finances as well as on business profits. In some cases, the service charge can be equal to or almost as much as the cheque itself.

Let us take the example provided to me by a newspaper delivery boy in a town in my area. I recognize that newspaper boys and girls are not big business, but in the particular instance that happened a year ago, this newspaper boy accepted a cheque for payment of a few weeks of delivery. The cheque itself, barely over $10 in value, was returned NSF. The boy was charged a $10 service fee and the bank saw nothing wrong with the system. Its response was that this was its policy.

It was only after rigorous intervention on behalf of the youth that the bank waived the service fee. Certainly it is not the intention of our bank system to unjustly penalize persons or businesses who accept cheques in good faith. Certainly it is not the intention of our institutions to introduce our youth to a business world that would have no compassion or understanding for an individual who works hard for his money only to find out that he or she can be penalized for trusting people.

Where is the bank's responsibilities in these cases? All persons and all businesses utilize banking services. Indeed, any financial transaction will undoubtedly include a bank customer. We encourage the use of banking institutions and services in our society. In return for providing these services the banks are compensated, and compensated quite handsomely. Chartered banks are recording record profits that are supplemented by fees generated by service charges. Yet they are reluctant to waive the penalty against the innocent depositors for non-sufficient fund cheques.

The legislation must be altered to address the most discriminatory practice. Legislation must include a prohibition for all depositors of NSF cheques from penalty. This is the only fair and equitable method of addressing the issue.

At the time of introduction of Bill C-9, the Minister indicated that the responsibility for handling complaints must first rest with the financial institutions. The Bill and its corresponding regulations provide for the establishing of a complaints procedure, which calls for banks to handle complaints first.

Only after exhausting this procedure would the complainant be permitted to apply to the Superintendent of Financial Institutions. However, neither the Bill nor its regulations stipulate the method which the bank must follow in processing complaints. There is no guideline or timeframe. In short, there is no guarantee that the complaint would be handled in an orderly and expeditious manner. The Bill simply requires the bank to file its complaint procedure with the Superintendent.

If the banks are provided with the opportunity to be first to deal with complaints, should the legislation not provide the guidelines to be followed? Is it not possible, with the current proposal, for banks to introduce lengthy arbitrary appeal processes? I believe it is possible.

Further, if it is our intention to make this process more simple and understandable, it would certainly be more advantageous for all parties to uniformly apply a complaints system. Therefore, I ask the Government to reconsider this issue, acknowledge the problems that could arise as a result of a Bill not providing sufficient direction in the complaints process, and introduce changes before final passage that would ensure uniform, prompt and sufficient procedures for customer complaints.

Bill C-9 in its present form attempts to address the very serious matters of disclosure of bank service charges and complaints system. The Bill is silent with respect to NSF cheque penalty charges. The Bill only addresses banks, pursuant to the Bank Act, and those banks are listed on schedules 1 and 2 of the Act.

What about other financial institutions that deal in deposit accounts, such as credit unions, the trust companies and the loan companies? What about governing these financial institutions?

Again, in pursuit of uniform and equitable legislation governing deposit accounts, service charges and complaints procedures, it must surely be argued that the rules must apply equally to all financial institutions. To this end, would it not be advisable to introduce legislation that covers all financial institutions? The banks, trust companies and co-operatives should all operate under similar guidelines.

Certainly, the Canadian Bankers Association would welcome the introduction of legislation to govern trust and loan companies and co-operatives. These institutions should certainly not be given an advantage over chartered banks by being permitted to operate by different rules.

I suggest that it would be prudent for the Government to not only strengthen this legislation as it relates to banks, but also to introduce further legislation that will address service charges, NSF cheques and complaint processes for the rest of the Afinancial services industry.

In summary, I wish to emphasize the importance of the issues raised in Bill C-9 and its corresponding regulations, and to further emphasize the need for the Government to reconsider certain provisions of the proposed legislation. Action is necessary to strengthen this legislation and extend it to cover all financial institutions.

If we are in doubt of the serious nature of banking service charges and its importance to the business community, let me refer to the Federation of Independent Business, an item, Small Business Views the Banks, The Bottom Line, edition 1988:

> The issue of service charges has risen quickly to become the single most significant concern of one in every four small businesses in Canada. There is no doubt that the banks are relying more and more on service fees as a profit source. This is explained by the banks as a result of the fact that "less low cost money on account is now available for banks to lend out to other customers; depositors prefer term deposits et cetera to non-interest bearing accounts." In summary it seems that small firms are seeing their service charges increasing at rates far above the rate of inflation, and often more than once a year, with no compensation gains in other areas.

The House of Commons Finance Committee itself made specific recommendations with respect to service charges. Recommendations based on the hearings conducted in 1988 included the elimination of certain types of charges and the modification of other charges. An example is the charge for not maintaining a minimum balance in accounts. Such a charge penalizes low-income Canadians when account balances dip below the magic minimum balance figure that is established by the bank. This relatively new practice of levying a maintenance fee was a special concern of the committee. The Bill does not address this matter.

The negative response to the proposed legislation's lack of addressing the NSF cheque situation was evident in the Consumers Association of Canada response:

> The Association welcomed the alacrity with which the service charge legislation was re-introduced, but said it hoped the Finance Department would have gotten even tougher with the banks—(the association) was disappointed the draft legislation wasn't tougher. The government had an opportunity to have another go at it and should have forced banks to eliminate some fees, like penalties for bounced cheques.

Although banks may have no difficulty in complying with Bill C-9 because "banks were already complying with what was proposed in the 1988 draft legislation", there is concern among members of the Canadian Bankers Association and its comments bear this in mind:

> The Banks believe they are capable of regulating themselves and do not need such legislation. We are generally satisfied – The Canadian Bankers Association believed that similar rules should be introduced to cover the rest of financial services industry, including trust companies and loan companies and co-operatives, which were also subject of last years public hearings.

The Government has seen fit to introduce service charge legislation. Bill C-9, in its current form commences the much needed overhauling of the system. What the Bill lacks is clearer, more defined policies with respect to disclosure of charges and complaints procedures and elimination of certain charges. What the Bill does not do is extend its proposals to all financial institutions.

• (2130)

I would further suggest that in order to assist the Government in these matters, the Bill be referred to the House of Commons Standing Committee on Finance. This committee, because of its previous review of the Act and its recommendations in 1988, is very capable of

reviewing the Bill and making further recommendations on this issue.

In order to address these matters, in order to eliminate the discrepancies to the Bill that are not solved in the proposed amendment, in order to treat all Canadians fairly, in order to treat all financial institutions equally, I request the Government to amend the proposed legislation prior to the final passage. I ask this Government to undertake these changes expeditiously and present to the House and the people of Canada a comprehensive piece of legislation that will meet our financial needs today and in the years to come, that will instil customer confidence in our banking and financial service industry.

Some Hon. Members: Hear, hear!

Mr. Loiselle: Mr. Speaker, I have listened very carefully to the intervention of the Hon. Member for Essex—Kent (Mr. Pickard). I would like to congratulate him on many of his very positive remarks on Bill C–9. I would be tempted to say the same for the Hon. Member for Port Moody—Coquitlam (Mr. Waddell) who spoke before him. I am pleased to see that there are very positive suggestions. This is a first step, and we will follow it very carefully.

I cannot address all the points that he has raised on this particular Bill on bank service charges, but he said that we fell short of addressing all concerns of the various groups. Of course, we are very much aware of that and that is a good start. As far as profits, I would like to remind the Hon. Member that the banks are widely held financial institutions, and we look at them very often as huge monsters, but their profits are disseminated all across Canada to a large part of our population.

He spoke about brochures instead of signs. A man or a woman going to a bank to look at the charges relevant to a particular bank would find it difficult to go around and copy down from the various signs that would be posted there. We feel that it would probably be much better to have a small brochure available at every bank. Then you could go around to three or four banks, very quickly pick those up, go home and study them at length. We thought that this would be a more open way of dealing with it.

My last remark would be to reply to his point that we should apply the same rules to the other financial institutions, the trust and loan companies. I would like to remind the Hon. Member that our constitutional capacity to intervene in those institutions is much less clear than it is with the banks over which we have very real responsibility in other areas. Our responsibility is very often limited to the solvency issue and all contract matters come under provincial jurisdictions. We have looked at that, but I am pleased to tell him that following efforts that have already been made by the banks, many other institutions have followed suit. We can only hope that it will continue to be so.

One thing I would like to ask him: Could he possibly indicate to me if he feels that additional competition in the arrival of 60, for example, annex or Schedule B banks and the fact that the trust companies and loans and credit unions are there to compete with the banks is not in itself a good way of solving the charges issue also?

Mr. Pickard: Mr. Speaker, I thank the Hon. Minister for his question. I feel that the market–place is definitely a place to have controlled competition, but I feel the major problem with that competition is that if everybody is not playing by the same set of rules, if everybody is not controlled in similar respects by using the same parameters within which they can operate, a difficult situation is created for each one of our financial institutions. I recognize that we do have provincial bodies that govern certain of our financial institutions as well as federal bodies that govern other financial institutions. I believe it is really the nature of this Government's policy that we should move beyond where we are right now, negotiate some regulations which would make the playing field of all financial institutions fair and equitable.

If it is just the market–place that is going to control what is happening, it seems to me that when one financial institution comes forward with a group of policies, with a group of regulations, others follow very quickly. It appears that interest rate charges are often very close to the same in each one of our banks. It appears that service charge rates are the same with all of our banks. It appears that we get a very close correlation between charges from one institution to another. I think

the market is the place that determines much of that. There is no question that if one bank is a long way out of scope, they are not going to be doing the business.

I do think that when it comes down to this issue that I am looking at, that the average person cannot go through a hundred different regulations that each bank has, if it is such a complicated issue that the banks have to provide all kinds of package policies, provide different charges on every operation that they carry out, the consumer is almost at a loss to figure out what this bank is doing and try to make comparisons with others. It is not just a simple matter of comparing an interest rate to an interest rate. With many of these package policies put together by banks, you get three or four services at a certain fee. Three or four different services provide a different fee. I believe the average consumer is unable to go through that without a tremendous background of accounting or other similar experience.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate?

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I am pleased to rise today to take part in the debate on this legislation which is a Bill to amend the Bank Act in Canada. The Hon. Minister of State (Finance) (Mr. Loiselle)said in his contribution to this debate on April 26 on page 979 of *Hansard* that Bill C-9:

> —responds to the many recommendations put forth by the Standing Committee on Finance and Economic Affairs.

Indeed this Bill did adopt some of the committee's recommendations. Why though did the Government not see fit to incorporate all of the committee's recommendations which make good sense, are fair to all Canadians, and would improve the content of this Bill considerably from its present form?

• (2140)

Let me refer specifically to these recommendations. The first recommendation of the committee's report to the House on May 31 suggested that banks and other federally regulated financial institutions be required to provide accounts that would make basic banking services available. For these basic accounts no charges shall be levied for maintenance of the account, making a limited number of deposits into or withdrawals, or payments by cheque on the account, providing the current balance of the account and transferring to the basic account the balance of any other account of the customer with the financial institution.

Surely Canadians should be able to expect that the most basic services provided by financial institutions, as cited in the recommendations, be provided free of cost. Such an amendment would ensure that poorer families, infrequent users of the bank, young children and indeed our senior citizens, who are less likely to conduct or require more complex financial transactions, can satisfy their more limited banking needs free of charge in the six banks that control banking in this country.

The current Bill fails to address this issue. More important, Bill C-9 ignores the committee's second recommendation that financial institutions be prohibited from levying charges for a variety of services. For example, recommendation 2(D) states that financial institutions be prohibited from levying charges for any transaction which results from an error or unauthorized action by the bank.

Does it not make good sense that if a financial institution makes a mistake that the cost of that mistake is not incurred by the customer? It should be incurred by the bank. Why should such a recommendation not be adopted by the Government? Why also does this Bill not prohibit charges for closing accounts, inactive accounts, or maintaining a savings account when the balance falls below the amount specified by the bank? It is curious that these salient recommendations, which would undoubtedly be in the best interests of Canadian bank customers, were not included in the new legislation which is before the House today.

Perhaps the Hon. Minister of State for Finance would respond that these recommendations would be inconsistent with his government's position, that as he stated in this House competition, not regulation, is the best way to guarantee a fair and reasonable approach to establishing prices. Have you ever heard anything so foolish, Mr. Speaker? It insults the intelligence to think that competition among the six banks in this country is going to regulate these affairs rather than regulation.

This reasoning ignores two very important facts. First, it assumes that bank customers ought to have the right to be charged for services rendered by the financial institution. It suggests that competition will establish fair prices for the customer while not ensuring that no charges will be levied on certain services. It does not exclude the possibility, but it is highly unlikely, that a financial institution will voluntarily eliminate service charges.

Second, perhaps more important, this is a "big city" perspective. What sort of competitive market forces does the Minister expect will come into play in small towns and rural Canada?

In many areas of my riding of Thunder Bay—Nipigon there is either a single or perhaps no financial institution at all. How would competition instead of regulation do anything to help many of the residents in northern Ontario, and in fact many sections of northern Canada? The provisions of this Bill intend to allow banks to have access to the costs associated with conducting their financial transaction at that institution. In theory this will allow a customer to select which bank provides the services sought by the individual or business at the lowest cost.

This might hold true in Toronto, Vancouver, Montreal or Winnipeg, but what are the implications for places such as Nipigon, Hurkett, Red Rock or Armstrong? This legislation does little or nothing for these communities. In fact, Armstrong, Ontario, a community of over 2,000 people 200 miles away from Thunder Bay has absolutely no financial institution at all and there and in many other areas there is little room for dissatisfaction with our financial institutions. In the smaller communities in northern Ontario the code which applies is usually "What you see is what you get".

Moreover, this legislation offers nothing to the many communities across Canada, and there are several in my riding, which desperately require the establishment of a financial institution. A Bill meant to increase competitiveness between banks will not assist these small places in northern Ontario.

It could be argued that increasing competition between financial institutions and prompting them to lower service charges will decrease their income, hence further reduce their incentive to set up comparatively more costly branches in rural communities. I would not find it surprising if such considerations were never given any thought by the Government. After all, in the name of competition, or more accurately, ignorance, the Government has also decided to abandon VIA Rail passenger service, shut down rural post offices, and deregulate air travel, reducing the quality and quantity of flights to rural and small town Canada. The Government is one thing, it is consistent in its disregard for northern Ontario. More important, the Government is consistent in its complete disregard for rural and small town Canada.

The Canadian Federation of Independent Business concurs that increased competition will have a negative effect on small towns in Canada. It argues that since banks are now pursuing much larger accounts, because of deregulation, profit margins on big business lendings have been decreased. As a result, financial institutions are imposing larger and more numerous charges on small businesses. Greater competition has forced financial institutions to undertake cost-saving measures such as closing branches in small towns, leaving small businesses in the community without financial institutions with which to deal.

We in the Official Opposition are also very concerned about the need now to penalize businesses or persons who deposit a non-sufficient funds cheque into accounts. In its report to the House the Standing Committee on Finance and Economic Affairs stated: "It seems unfair to penalize someone who accepts a cheque in good faith and does not receive payment from the person who wrote the cheque. There may be other reasons why a cheque is returned unpaid, such as errors. The committee is of the view that those who issue cheques should be responsible for ensuring that payment follows. A depositor of a cheque should generally be assumed to act in good faith, and there should be no double penalty for one single error". Such a proposal makes good sense, especially for small businesses. The Canadian Federation of Independent Business is adamant that there should be no penalty imposed on the person who deposits the NSF cheque.

Does it seem fair that the owner of a small business with limited resources and facilities for verification is not only stuck with an NSF cheque but that a penalty must be paid as well for depositing such a cheque in this financial institution? It makes very little sense. Reason would dictate that the individual issuing such a cheque would be fully responsible and incur whatever penalties or costs there may be and it would be up to the financial institution to impose that charge.

As a result of this intervention I hope that the Government will consider its position with respect to rural and small-town Canada and its financial institutions. I hope it would consider its position with respect to seniors and the services that they should expect from our banking institutions, and consider its position with re-

spect to our young children and bring the necessary changes in the Bank Act before this House for approval.

• (2150)

The Acting Speaker (Mr. Paproski): Questions and comments. The Hon. Member for Burin—St. George's.

Mr. Simmons: Mr. Speaker, I want first of all to congratulate my friend for Thunder Bay—Nipigon (Mr. Comuzzi) for an outstanding speech, but more to the point, I thought a very compassionate treatment of a fairly difficult issue. It was a very inciteful approach to the matter. I want to congratulate him on that.

I can particularly identify with his concluding remarks, those which make an appeal to the Government. I see the Minister in his place and I saw him making notes. He is not an uncompassionate man. I would be prepared right now, Mr. Speaker, to take my seat if he would indicate even with a nod that he has not only heard the message but will respond to the excellent and very sensible plea put forward by my colleague for Thunder Bay—Nipigon.

This legislation, as I said when I spoke myself earlier in the debate, which seems weeks ago now, is a small step in the right direction. It could be a giant leap, I say to the Minister, if he would take the counsel of the gentleman for Thunder Bay—Nipigon—I was about to put a question.

The Acting Speaker (Mr. Paproski): Yes, I wish the Hon. Member would. He should be commenting on the Hon. Member's speech and not on the Minister's remarks. The Hon. Member is a long time Member in this House. He knows exactly what he should be doing. I just thought I would remind him. I know that he is getting to asking the Hon. Member a question.

Mr. Simmons: I thought I had mentioned the gentleman from Thunder Bay—Nipigon so often I was beginning to sound repetitive. I am prepared to do it, Mr. Speaker, even more often. I thought he gave a magnificent speech. He does not really leave a lot to question.

I guess my question for him, and it was in this context that I glanced over at the Minister who is there, being his attentive self tonight and I hope his compassionate self tonight, and I hope he would indicate to us—but let me put it to the Member, the future Minister, the Member for Thunder Bay—Nipigon instead. What reason has he to believe and what hope has he got that the excellent proposal he has made for improving the legislation, not dissimilar from the proposal which I have made during my speech, and with which I very much identify. What hope has he got? Has he got some signal from the Minister that maybe we can expect the changes that he has advocated to be incorporated in the legislation before it passes this House finally.

Mr. Comuzzi: Mr. Speaker, if I can just comment that I know my friend and colleague is a long time Member of this House. As you know, Mr. Speaker, this is my first term. As a new Member, I am not used to those compliments.

An Hon. Member: There is going to be more.

Mr. Comuzzi: We should allow a little latitude with those with more seniority. I am hoping that with the recommendations which I have suggested in my intervention and in my remarks that the Minister, who happens to be in the House today, would listen to those very critical areas which we consider very important for rural and small town Canada. Those are the necessity and the needs of the services of our senior citizens in our country which require perhaps a little additional facility than is being provided to them today. In rural and small town Canada, those areas which are served by one financial institution, as I said, what you see is what you get. There is no competition in the financial institution in those small communities with 2,000, 3,000 or 4,000 people. There is only one banking facility. When we have only one banking facility, we do what the local banker insists that we do, especially if it is a small businessman in that area. When I was going to school some many years ago I can remember that it was—

An Hon. Member: Four or five.

Mr. Comuzzi: No, longer than four or five. They are very kind on this side of the House. They would come to school and they would say it is the wisdom of opening a bank account when we were young children with a paper route. We would go down to the bank and open an account. There would only be $2, $3 or $4 in that bank

account. Today there are going to be bank charges on those insignificant amounts. We want to train our young people how to become responsible citizens, how to be industrious, how to do the things that are so important for them to be good Canadians and good citizens of our country. Those are the type of things and those are the type of charges that we have got to prevent.

In answer to my colleague, it is hopeful that our suggestions and our recommendations are falling upon the compassionate ears of the Minister of State (Finance) (Mr. Loiselle).

The Acting Speaker (Mr. Paproski): The Hon. Member for Beaches—Woodbine on a question or comment.

Mr. Young (Beaches—Woodbine): Mr. Speaker, I also enjoyed listening to the remarks of the Hon. Member for Thunder Bay—Nipigon (Mr. Comuzzi) and especially the comments which he made about the minimum charges that banks make on minimum deposits. I recall that my daughter, who is 18 or so, who still goes to school and works quite hard on evenings and weekends, and tries to put some money in the bank, received a letter from her bank last week, as a matter of fact, advising her that if she did not maintain a minimum of $1,000 in the bank account that there would be a service charge levelled against it.

She not only thought this was unfair but I considered it to be outrageous, to say the least, particularly when you realize that banks over the last five years have had an annual rate of some 19 per cent and that they have generated over $1 billion a year on those kinds of service charges. It seems to me that these banks should be giving people like my kid and other Canadian kids a break, rather than going after them because they do not maintain $1,000 in a bank account.

My second question to the Hon. Member is, several years ago I happened to be in rural Ontario talking to farmers, which is quite strange for a guy from the east end of Toronto but it was quite interesting. Those farmers told me of the tremendous problems which they face when a bank unilaterally closed a branch in their community. It created tremendous problems for farmers in that particular community where they relied on the bank to provide them with loans so that they could continue to operate their farms. It seems to me that if these banks are going to be allowed to operate in the way that they do in Canada, the minimum they should be required to do is provide that basic kind of service, not only to the kids in the first part of my question but certainly to the farmers in this country who have contributed a great deal to the wealth and well–being of this country and Canadians.

Mr. Comuzzi: Mr. Speaker, I thank my colleague on this side of the House for that question. Some years back when I was in business we called the minimum deposit the double interest type of charge. There was a period of time when the banks could only charge, if my memory serves me correctly, a certain rate of interest. In order to circumvent that rule, what they would say is that you would need a certain amount of money if you were in a small business, as I was for a number of years in Thunder Bay, but you would need to have a minimum deposit always on deposit in your bank. Those minimum deposits in a current account never drew any interest. The very fact that you had to have the minimum deposit in your line of credit meant that you were paying at that time a double rate of interest. That is what drew my mind when he was talking about his daughter of 18 years old and wanting to do banking with an institution in her community, that they would require at 18 years old to have a minimum deposit of $1,000 in the bank. It just does not make any sense.

I am sure that that $1,000 would not be drawing the rate of interest that would be going out on the other hand, which would be the loan that would be going out if she wanted to buy a car and needed $1,000. Those are the inequities that we are hoping can be addressed by the Minister of State responsible for this legislation.

The other problem that my friend also mentioned is the unilateral closing in small communities that he mentioned. I thank him very much for drawing to my attention, which I failed to do in my remarks, that small communities and farms throughout this country are affected when the local bank decides, for whatever reason, that it is not going to offer any further services.

I concur with him. I can see, Mr. Speaker, that you are getting ready to call it 10 o'clock.

The Acting Speaker (Mr. Paproski): I am ready to call it 10 o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 is deemed to have been adopted.

AGRICULTURE—FARM MARKETING BOARDS—DISCOUNT OF FARM MARKET QUOTAS

Mr. Maurice Foster (Algoma): Mr. Speaker, on May 2 I put a question to the Minister of Agriculture (Mr. Mazankowski) concerning a document which I had received from the Royal Bank of Canada. This resulted from the Government's action to freeze the income of Canadian farmers at the GATT. The decision was made and the Minister of Agriculture announced on April 14 that the Government was taking away the power of the Canadian Dairy Commission to raise the price of Canadian dairy products.

I do not think with regard to products going into international trade that there was a lot of dissatisfaction with this in the dairy industry because we are part of a global community in that regard. Farmers are concerned that their income is going to be frozen until 1991 on commodities which are used domestically. As a result of the Government's decision which was announced on April 14, the Royal Bank issued a memorandum to all of its lending institutions in the Ontario region saying they were concerned that the Canadian Marketing Boards and quotas would become a sacrificial lamb in the GATT negotiations.

We know that the Board of Directors of the Royal Bank of Canada and other large banking institutions are very close to the Government, and close to the Prime Minister (Mr. Mulroney). They obviously have a lot more information on this than the average Member in the House of Commons. This memorandum to all the Royal Bank branches is especially pertinent and of great concern to the Canadian dairy industry.

The Board of Directors go on to say that because the risk is so great of the whole marketing board structure being lost, they were withdrawing immediately 50 per cent of the value of quotas for the dairy industry and other supply-management industries for calculation of debt-equity ratios. They also went on to say that no quotas would be financed over a five-year period and that it would be necessary in some cases for branches to raise interest rates.

I asked the Minister of Agriculture why he was moving in this way, what was going on and what assistance and support would be provided to these producers who were losing in some cases 50 per cent of the value of their quotas for loan purposes.

The Minister really gave very little response. I was disheartened with that because this is a real problem for dairy producers across this country who want to renew or take out a new loan having the value of their quotas discounted by 50 per cent as far as providing equity in equity-loan ratios. I think the responsibility is on the Government. The Tories campaigned hard and long last fall saying that supply-management and marketing boards would be protected under the free trade deal, under the GATT deal, and yet supply-management and marketing boards are really under the gun as a result of the Government's actions. Clearly, it is not only the decision at the GATT to freeze farmers' incomes in 1991, it is the challenge which has been launched by the United States import controls which have been placed on yoghurt and ice cream. That issue, even though it has since gone into a free trade area with the United States, now challenges the right of the Government of Canada to impose import controls on milk constituents like yoghurt and ice cream. That subject is now at the GATT.

I am told that the chance of Canada winning that challenge is something less than a 50-50 chance. We not only have the prospect of larger imports from the United States with the tariff being removed over the next several years but also import controls not being effective at controlling those milk products coming from the U.S. The dairy industry has a great concern over this. The dairy farmers of Canada have published a long document in which they refute all the arguments the Government has made with regard to their position on the whole question of the dairy industry supply-management.

• (2205)

This Thursday morning in room 362 East Block, we will be holding a public forum in which we will give an opportunity to dairy farmers from across Canada to make presentations and express their concerns to the Government about how serious the matter is as a result of the Government's action, both in the free trade negotiations with the United States and the decision to

freeze farmers' incomes for the next 20 months until 1991.

Mr. Bill Kempling (Burlington): Mr. Speaker, I am pleased to answer on behalf of the Minister of Agriculture (Mr. Mazankowski). My understanding of the situation is that the Ontario district of the Royal Bank has decided to value quotas at 50 per cent of their face value rather than at full value, as it has done in the past when assessing the risk of loans to producers of supply-managed commodities. Lenders often discount the expected market value of assets based on their assessment of the marketability of those assets.

In Ontario, a recent court decision limits the security value of quota based on interpretation of the Provincial Marketing Act. This clearly has nothing to do with federal Government trade policy.

I wish to thank the Hon. Member for his concerns about farm market quotas. The Hon. Member has cited an internal document from the Royal Bank outlining changes to its lending policies on quota as evidence that federal trade policy is destroying Canada's supply-management systems. A representative of the Royal Bank has stated that the language used in the circular was inflammatory and should not have been used.

The Government has never waivered in its support of supply-management. We stood by this commitment when the Canada-U.S. Trade Agreement was negotiated and we continue to stand by it in the GATT negotiations.

As the Hon. Member knows, Article 11 of the GATT gives Canada the right to operate supply-management systems. We want to strengthen and clarify our Article 11 to guarantee this right over the long term. Because of the nature of GATT, however, we cannot negotiate this one article by itself. We would achieve nothing if we did not co-operate with other GATT members in a full review of the agreement.

The recent short-term measures agreed to in Geneva represent a necessary starting point for long-term negotiations on GATT rules for agricultural trade, including Article 11. During the course of negotiations, Canada and other countries have agreed not to raise any support prices to producers which are set above international market levels. These measures may not be perfectly fair by country or commodity, but they are necessary to launch long-term negotiations.

Our national dairy policy does not operate in isolation from the rest of the world. There has been recognition in this round of talks that domestic support programs can lead to international trade distortion, so some short-term adjustments may be required to guarantee a favourable long-term outcome.

It is unfortunate that these short-term measures and their impact on our dairy industry have been misinterpreted. We do not know yet what the latest cost of production data for industrial milk will show. Therefore, we do not know if the short-term measures will have any impact on the price of industrial milk.

The Government has been generous and flexible with dairy producers in the past. The target price for industrial milk is now $46.06 per hectolitre. It has remained at that level since February 1988, even though the cost of production formula indicated decreases on August 1, 1988, and February 1, 1989.

• (2210)

We have maintained the existing price because we were aware that drought was affecting feed costs in parts of the country. I can assure Members that banks do not set prices for milk quota. The value of the quota is set by producers based on what they are willing to pay for it. In Ontario, the average cost of buying dairy quota represents less than 7 per cent of the total farm assets. Therefore, the rest of the dairy farm assets are available as collateral if borrowing is required.

The Government remains committed to working with dairy producers and processors. It is the continuing co-operation of all participants that best assures the long-term success of Canada's dairy industry.

TRANSPORT—VIA RAIL—CONTINUED SERVICE OF ATLANTIC LIMITED

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, as you are no doubt aware for many months, indeed going back for many years, I have been promoting the case for a substantial rail transportation system in the Dominion of Canada. I wish to reinforce the position that I have taken over that period of time with the Minister as a result of a question that I put to him in the latter part of May. I brought to his attention the fact that one of the major

trains out of the maritime provinces, the Atlantic Limited from Halifax to Montreal, was a well utilized train.

The important thing to recognize at this juncture in our efforts to attempt to address the deficit, which indeed we as Atlantic Canadians are no less prepared than any other Canadian to accept our responsibility for, is the fact that the rail transportation system in our nation has been something that we have long recognized in Atlantic Canada as one of the necessary links for us as Canadians to identify ourselves with in the rest of the nation.

This nation was forged on the system of the railway transportation links. In Atlantic Canada, it is not only a matter of building up our highway system or replacing one mode of transportation with another, as the Hon. Member for Carleton—Charlotte (Mr. Thompson) has repeatedly pointed out to the House of Commons. For a great many people in Atlantic Canada, it is the only communication link with members of the family who might have moved west because of varying economic reasons, or whatever the happenstance may be that they found it necessary to move to other parts of Canada.

I want to bring to the attention of the Minister, who rightly recognizes the concern of a mounting deficit on the part of rail transportation, that as responsible Canadians we must live up to our responsibility to future generations and address the mounting deficits. There has to be a continuity of our association in Atlantic Canada with the rest of Canada, and it cannot be arbitrarily cut off by a discontinuation of what we in Atlantic Canada have grown to accept as part of our historic relation to confederation.

I know you will relate to that, Mr. Speaker, being a westerner. To succeeding generations of Canadians who have grown up and travelled from one sea to the other, the rail communication links have meant a whole lot in our ability to relate to one another as Canadians. Indeed, no one on this side of the House would suggest that we continue with rail transportation links that are not well utilized, or where there are realistic alternative means of transportation.

• (2215)

I want to hasten to add that road transportation from Atlantic Canada, the Maritimes, to Upper Canada is not a realistic alternative from our perspective. Indeed, it is recognized that in the Maritime provinces there is a population of approximately 1.7 million people and that in the two major transportation links, rail transportation and water transportation, there was in excess of 475,000 people who travelled just last year. That number is growing every year. Indeed, it represents far more than the figure of 3 per cent of the population that the Government often uses as an example of the few who are utilizing the rail transportation link.

It is with that in mind that I try to reinforce that in Atlantic Canada the number of people who utilize the main rail transportation link between that part of the country and the rest of the nation is far in excess of the 3 per cent figure. Practically half a million people in relationship to a population of 1.7 million in the Maritime provinces use that link. The majority of those are not from Upper Canada but are Maritimers who are travelling students, elderly people, people with no alternate means of transportation and individuals who want to continue their links with the rest of Canada. They depend on that rail transportation system to identify with the rest of Canada as being Canadians from Atlantic Canada. I want to reinforce that it is of no small consequence to those of us who live in the Maritime provinces. It is important that we recognize that there is a substantial number of Maritimers who depend upon that rail transportation system as being their support, their *raison d'être*, for maintaining their identity as Canadians in this great dominion of ours.

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, I want to thank the Hon. Member for Fundy—Royal (Mr. Corbett) for speaking out on behalf of the Atlantic region, which region he represents as a Member of this place.

As he knows, on May 3, 1989, VIA was asked to prepare and submit by June 30, 1989, a new business plan that represents its new budget. This business plan will set out a course of action that sets out the budget realities. The new reference levels which decrease gradually from $541 million in 1989–90 to $250 million in 1993–94 reflect the Government's commitment to expenditure reduction and restraint.

Options which the Government expects the corporation to consider in developing its plan include productivity improvements, fare increases, the takeover of services by other interested parties, service reductions and route abandonments. No options are being ruled out. The one restriction that has been placed on such options is that rail passenger services to truly isolated communities along remote routes will be maintained.

As my colleague, the Hon. Minister of Transport (Mr. Bouchard) has stated, no decisions have been taken on the long-term future of rail passenger services in Canada. The impact of the new VIA budget cannot be determined until we hear from VIA with its new revised plan. Once thing is clear, however, these subsidies have been disproportionately large when compared to other modes. Last year alone they reached an unprecedented $641 million. This has been due to a large extent to the low level of VIA ridership. Rail passenger services currently retain only 3 per cent of the total Canadian intercity passenger traffic.

The air mode has a market share of 7 per cent. The automobile enjoys the lion's share of the market at 84 per cent, demonstrating Canadians' love affair with their cars.

Even the bus mode has a greater share of the market, being twice that of VIA, at 6 per cent. These figures clearly demonstrate that Canadians can no longer afford a service which is costing more and more and being used less and less.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion that the House do now adjourn is deemed to be adopted.

The House therefore stands adjourned until 11 a.m. tomorrow, pursuant to Standing Order 24(1).

The House adjourned at 10.21 p.m.

HOUSE OF COMMONS

Tuesday, June 20, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

ORDER IN COUNCIL APPOINTMENTS

TABLING OF APPOINTMENTS AND REFERENCES

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to table in both official languages a number of Order in Council appointments which were made by the Government pursuant to Standing Order 110(1). These will be deemed referred to the appropriate Standing Committees, a list of which is attached.

* * *

[*Translation*]

OFFICIAL LANGUAGES

PRESENTATION OF FIRST REPORT OF STANDING JOINT COMMITTEE

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, I have the honour to present the First Report of the Standing Joint Committee on Official Languages.

With the consent of the House, I would like to move adoption of this Report later today.

[*Editor's note: See today's Votes & Proceedings.*]

* * *

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

Hon. Ralph Ferguson (Lambton—Middlesex) moved for leave to introduce Bill C-253, an Act to amend the Criminal Code (cattle and other animals).

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

Some Hon. Members: Agreed.

Mr. Ferguson: Mr. Speaker, I rise today to introduce a Bill to amend the Criminal Code in respect to cattle and animals. It has been drawn to my attention that in many areas of the country, dogs have been running at large and attacking livestock. This Bill simply constitutes a lawful excuse for a person to protect his cattle or farmyard animals.

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

* * *

• (1110)

PETITIONS

GOVERNMENT RESPONSE

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I wonder if we might have permission to revert to Tabling of Documents. I inadvertently neglected to table the reply, in both official languages, to four petitions. If I could have that permission I would be prepared to do so now.

Mr. Speaker: The House has heard the request of the Minister. Is there agreement?

Some Hon. Members: Agreed.

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

* * *

UNITED STATES OF AMERICA

BICENTENNIAL OF CONSTITUTION

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, there have been discussions among the Parties and I think you would find that there is unanimous consent for me to put the following motion immediately and for it to be voted upon without debate. On behalf of the Prime Minister (Mr. Mulroney) I move:

That the Speaker of the House of Commons convey to the Speaker of the House of Representatives and to the President of the Senate, of the Congress of the United States of America, the good wishes of the Canadian House of Commons on the occasion of the bicentennial anniversary of the Constitution of that Republic.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I would like to say on behalf of the New Democratic Party that we support this motion unanimously.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, this is an excellent initiative of the Government. We just hope that at some time in the future it will do the same for France which is celebrating its two hundredth anniversary also.

Mr. Lewis: When?

Mr. Gauthier: This year.

Mr. Lewis: I wish to thank my hon. friend for the suggestion and I will check that out immediately.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, on the same point, given the love shared for the Americas, I would hope that the Government will use this resolution as a jumping off point for some support for the quincentennial of the arrival on this continent of Christopher Columbus. The United States Congress has already set a committee to do something about it. They are doing something in several other countries of the Americas and we are doing nothing.

Mr. McDermid: He missed Canada by a few thousand miles.

Mr. Dick: We don't have Columbus Day here either.

Mr. Speaker: I am always, of course, in the hands of the House. Christopher Columbus' arrival was a very important event, as are some other things that have been mentioned, but I think perhaps we should have such a discussion in another place or we may be going on for quite a long time this morning. However, as I say , I am prepared to extend regards, felicitations and congratulations to anyone that the House asks me to do that for.

Mr. Riis: Mr. Speaker, I appreciate the Hon. Member's comments regarding Christopher Columbia. However, I simply want to remind the House that the first Europeans to this continent, of course, were the Vikings and I think we ought to speak of the role that they played in the exploration of this country.

Mr. Speaker: The Hon. Member for Winnipeg Transcona (Mr. Blaikie) is not in the House this morning, but if he was I know that he would rise on a point of order and point out that while the Scots have welcomed a lot of people, nonetheless we could not have the country without them.

Does the Hon. Government House Leader have the unanimous consent of the House to move the motion?

Some Hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

[*Translation*]

OFFICIAL LANGUAGES

ADOPTION OF FIRST REPORT OF STANDING JOINT COMMITTEE

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, if I have the unanimous consent of the House, I move, seconded by the Hon. Member for Ottawa—Vanier (Mr. Gauthier):

That the First Report of the Standing Joint Committee on Official languages, presented to the House earlier today, be adopted.

Mr. Speaker: Does the Hon. Member have the unanimous consent of the House to move this motion?

Some Hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the House's pleasure to adopt the motion?

Some Hon. Members: Agreed!

Motion agreed to.

* * *

[*English*]

PETITIONS

UNEMPLOYMENT INSURANCE ACT AMENDMENTS

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is an honour to present a petition pursuant to Standing Order 36 on behalf of a number of Kamloops residents who are dismayed that the Government is changing the Unemployment Insurance Act to require that financing for training be taken from unemployment insurance funds.

They are also concerned because this means that higher premiums will have to be paid by employees as well as employers. I do not think we have seen the end of the impact that this change will have on the small business community of the country. The petitioners are calling upon the Government to come to its senses and back off from this regressive step.

ALLEGED MILITARIZATION OF ECONOMY

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I have another petition signed by residents of Kamloops, British Columbia, who point out their concern regarding the Government's support for the growing militarization of our economy. They go on at some length to point out the details of their concern that we seem to be moving our economy to one which is tied more closely to the American military complex.

The petitioners call upon the Government to back off from this involvement and to encourage the diversion of military spending to socially important areas which create jobs while strengthening Canada's commitment to peace.

ECOLOGICAL STUDY OF CARMANAH VALLEY

Mr. Robert Wenman (Fraser Valley West): Mr. Speaker, I have the honour to present petitions on behalf of approximately 18,000 Canadians. These 18,000 Canadians recognize that the Carmanah Valley, approximately mid-way along the West Coast Trail, is carpeted with an ancient forest of cedar, hemlock and Sitka spruce, the spruce especially being outstanding examples of their species including the tallest in the world and the tallest known tree in Canada, a tree 312 feet, taller than a 30-storey building or the Parliament Buildings.

The petitioners submit that in order to preserve the Sitka spruce ecology in perpetuity their entire natural forest valley habitat must be protected, for logging in the watershed will increase run-off erosion and open up the tall trees to the force of the wind which inevitably causes the ancient trees to be blown down.

The petitioners therefore ask that a full assessment of the ecological significance of the Carmanah Valley be undertaken by Environment Canada, including the merits and values as a tourist attraction with extended trails from the West Coast Trail and that pending the results of these studies the federal Government enter into negotiations with the provincial Government to protect and preserve the entire valley as an addition to the Pacific Rim National Park.

Point of Order—Mr. Riis

QUESTION PASSED AS ORDER FOR RETURN

Mr. Albert Cooper (Peace River): Mr. Speaker, if Question No. 45 could be made an order for return, the return would be tabled immediately.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House that Question No. 45 be deemed to have been made an Order for Return?

Some Hon. Members: Agreed.

[*Text*]

AVAILABLE FUNDS

Question No. 45—**Mr. Caccia:**

1. For each of the past five years for which data is available, has the government provided money to companies for the exploration or development of oil and, if so (a) under what programs (b) in what amounts?

2. In each of the past five years for which data is available, has revenue been foregone by the government by way of tax breaks to companies for oil exploration and development and, if so, in what amounts?

3. In each of the past five years for which data is available, has revenue been foregone by the government with respect to companies engaged in energy conservation or renewable energy research and, if so, in what amounts?

Return tabled.

[*English*]

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

The Acting Speaker (Mr. Paproski): Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

POINT OF ORDER

COMMENTS DURING QUESTION PERIOD

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I would like to raise a very short point of order before we get on with some very important legislation.

I simply want to bring to your attention, Mr. Speaker, and the attention of the House that having had a chance to read the report of Question Period in yesterday's *Hansard*, I noted that the Minister of Housing (Mr. Redway) referred to the infrequency with which the Member for Surrey North (Mr. Karpoff) raised questions regarding the housing crisis in the country. If we had the opportunity, Mr. Speaker, you can rest assured that we would be asking questions every day of the Minister of Housing because of his abysmal showing as the Minister of that portfolio. I simply wanted to correct the record in that respect.

GOVERNMENT ORDERS

• (1120)

[*English*]

CANADIAN ENVIRONMENTAL PROTECTION ACT

MEASURE TO AMEND

Hon. John McDermid (for the Minister of the Environment) moved that Bill C–22, an Act to amend the Canadian Environmental Protection Act, be read the second time and referred to a legislative committee.

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I am happy to have this opportunity today to speak on second reading of Bill C–22, an Act to amend the Canadian Environmental Protection Act. This Bill will correct an unfortunate drafting error which is in fact holding up Canada's participation in the fight to protect the ozone layer.

As we all know, CEPA became law on June 30, 1988. That legislation was designed to protect the health and environment of Canadians. The Canadian Environmental Protection Act provides the legislative basis for coming to terms with the complex issues of air and water pollution, toxic substances management, waste disposal, acid rain and climate warming.

The new Act embodies an ecosystem vision of environmental protection. It addresses pollution problems on land, in water and through all layers of the atmosphere. The Act recognizes that ecosystems extend beyond national borders. It provides the legislative basis to enable us to control international environmental degradation through restrictions on the import and export of dangerous substances and through the regulation of Canadian sources of transboundary air pollution.

The Act deals with organic and inorganic substances, the products of biotechnology, emissions, effluence and wastes. It gives the Government the authority to impose strict controls at each stage of a toxic substance's life cycle.

The Act is designed to protect against environmental contamination from toxic substances. According to CEPA, a substance is toxic if it threatens human health or the environment. The Act adopts a two–pronged approach to managing toxic substances. First, the regulating of those substances now in the Canadian marketplace, many of which we know little about. Second, controlling the introduction of substances that are new to Canada.

Once a substance is found to be toxic, an order is made to add this substance to Schedule I of the Act. The order is effective on the date a regulation pertaining to the substance takes effect. Regulations may address any aspect of the life cycle of a substance, including manufacture and import, storage, handling, packaging, distribution, transportation, sale, use, release and disposal.

The Canadian Environmental Protection Act builds on earlier environmental statutes. These include, among others, the Clean Air Act, the Ocean Dumping Control Act and the Environmental Contaminants Act.

CEPA incorporated the various regulations developed under these laws; regulations dealing with lead, mercury, vinyl chloride, and asbestos in air emissions; with phosphorous in detergents; with lead in gasoline; with PCBs, mercury and mirex. These regulations were intended to be applied upon promulgation of the Act on June 30, 1988 in accordance with the CEPA enforcement and compliance policy.

At the same time, many of the substances dealt with in the regulations were included on the list of toxic substances in Schedule I to the Act.

There are nine such substances, PCBs, mirex, polybrominated biphenyls, CFCs, polychlorinated terphenyls, asbestos, lead, mercury and vinyl chloride.

It is in this process of listing, on Schedule I, substances found to be toxic which concerns us here today.

To be clear, Schedule I identifies those substances which can contaminate the environment and thus should be controlled. Listing a substance allows us to strengthen the earlier regulatory requirements and/or develop further controls as necessary.

On that basis, the Government ratified, within hours of the promulgation of CEPA, the so-called Montreal protocol for the protection of the ozone layer. On that basis as well, the Government announced on February 20, 1989, a national program to eliminate CFCs from Canada within the next 10 years.

Unfortunately, the basis for those actions has been compromised. According to our legal advice, the inclusion of a list of toxic substances in Schedule I in CEPA, as passed, was not appropriate. The Act requires that substances be added to the Schedule only through an order of the Governor in Council. Orders are based on evidence of the toxic effects of the substance in question. They take effect once regulations are developed. Thus, the nine substances, to which I have already referred, because of the absence of such an order, probably had no legitimacy.

This created several dilemmas, not the least of which was a regulatory hiatus, where the current regulations dealing with the nine substances in question may have been unenforceable.

Faced with this advice, the Government took immediate steps to address this situation. Earlier this spring, the Government republished the regulations in the form of interim orders under CEPA. By virtue of Section 35, interim orders have the effect of a regulation but for a lifespan of only two years.

The Government also reviewed the various options for correcting the list of toxic substances and, in particular, ensuring that we could move ahead to meet our national and global obligations to further control CFCs.

The most obvious option was to complete an assessment of the environmental and health impacts of each of the nine substances. Using existing scientific data, both Canadian and international, the Government could prepare assessment reports, publish summaries of these findings, consult with various stakeholders and develop the appropriate recommendations for a Governor in Council order. We could then publish regulations for comments. The difficulty with this approach was and is its timing. We are already seized with assessing 44 existing substances recommended as priorities by an independent advisory panel. We are also completing our assessment work done on dioxins and furans. We are assessing benzine, waste oils and polyaromatic hydrocarbons among others.

We hope to finalize the assessments of at least nine substances over the next few months and to publish regulatory controls as appropriate.

Quite frankly, we would prefer to concentrate our efforts on evaluating the new or the unknown, rather than reinventing the wheel on those substances already deemed to be toxic enough to justify regulation under earlier laws.

Our preferred solution is the one presented here today, that of amending the legislation to modify the effective date of an order adding substances to the Schedule, in effect, removing the link to the publication of regulations. This change, once approved, would allow the Governor in Council to make an order creating the list of toxic substances and thereby providing a basis for the regulations in effect prior to June, 1988, under earlier legislation and for any new regulations relative to the nine substances which I have already identified.

Quick consideration of Bill C-22 will allow us to persevere in our efforts to develop controls for additional substances. Quick consideration of Bill C-22 will also allow us to meet the July 1, 1989 international deadline for action to protect the ozone layer.

Many of us, and perhaps most of us, in this House share the growing concern about the changes taking place in the gases which make up the earth's atmosphere. In particular, we are monitoring the disappearance of the ozone layer which protects the earth from the impact of the ultraviolet rays of the sun. The international scientific community has concluded that CFCs, a synthetic chemical developed in the 1930s, are responsible for modifying the ozone layer.

Canada acted in the mid 1970s to reduce the use of CFCs. Using the formal Environmental Contaminants Act, Canada developed regulations controlling the import, use and manufacture of CFCs. As of June 30, 1988, those regulations were to have been transferred and applied under the Canadian Environmental Protection Act. CFCs were included on the list of toxic substances under the Act.

We now need to move ahead and strengthen our control of CFCs and in fact eliminate them altogether. As I have described, the legislative basis for these actions has been questioned. We propose, through Bill C–22, to correct that.

This Government's commitment to protecting the well–being of this planet is strong. We believe in strong domestic action to control toxic contamination. We believe also in the need for strong international action. The fight against the depletion of the ozone layer is a case in point.

I ask the House, therefore, to approve Bill C–22 and to correct the legal technicality now inhibiting Canada's actions to control CFCs. Parliamentary study and approval of CEPA, the Canadian Environmental Protection Act, was exemplary in terms of the co–operation and the positive contributions made by all Parties to improve the legislation. I would ask this House to continue that tradition in approving this amendment.

• (1130)

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am a little amazed that the Parliamentary Secretary to the Minister of the Environment (Mr. Clark) has not put this government foul–up in context. According to a phone call the Minister is here in Parliament. I do not know why he is not here to speak on his own legislation. On February 20 the Minister issued a major press release in which he stated:

> I am tomorrow issuing draft national regulations to curb CFC use.

When the original Canadian Environmental Protection Act was introduced, it was condemned widely by environmentalists as being badly worded, bewildering, and confused.

The very wording problem that has been exposed and is now to be rectified as a result of the amendments under Bill C–22 was applauded by the then Minister of the Environment. Several groups and organizations appeared before the committee and pointed out that if the wording in the Act were not cleaned up we would see a situation where a number of specific improvements could not be applied.

What did the then Minister of the Environment have to say about that criticism? During the course of the committee hearings the then Minister, Mr. McMillan, said:

> We do not have at present, under either of these bodies of law or under any others authority to control, cap or reduce production, prohibit new production facilities or control imports of ozone–depleting substances from specific countries, for example, non–parties; nor do we have the authority to control exports to Pacific countries.
>
> We will have all those powers under CEPA if Parliament passes it as it is.

That was a statement made by the Conservative Minister of the Environment a year and a half ago when we were asked to pass the badly worded Canadian Environmental Protection Act in the House.

We now see that the Minister has recognized the folly of his own legislation and has brought forward amendments to attempt to address the specific shortcomings of the chlorofluorocarbon regulations.

In February presumably, if we take him at his word, the Minister did begin examination of the regulatory process. I cannot understand why he did not discover at that time that because of the wording of the Act we would not be able to meet our obligations under the Montreal Protocol. Our obligations under the Montreal Protocol begin in approximately 10 days. Now we are being asked in a shoddy, haphazard effort similar to the effort that was not shown, in so far as cleaning up the original wording of CEPA, to pass this new regulation change with very little involvement or assessment by the 1,800 environmental groups across this country that have a particular interest in what CFCs are doing to the ozone. In particular, the Minister is ignoring the suggestion by the Liberal Party that while we are moving to implement a cut–back in CFC use as agreed by the Montreal Protocol we should be examining the use of CFCs and their disposal in relation to refrigeration.

As we speak there are approximately one million refrigerators produced by General Electric, of which 25,000 are being produced in Canada by Camco in Hamilton that are being repaired because of a faulty manufacturing process in relation to the CFCs. They are being drained irresponsibly and with great damage into the environment.

The Minister would have us believe that Canada is at the forefront of reduction of CFCs in the world. Yet, he brings forward an amendment which, albeit we will support because it should be supported, should have been brought in three months ago at the time when the Minister first discovered this gross error in drafting perpetrated on Parliament by his own Party.

He should have brought this amendment forward and he should have permitted a full public examination. Instead we are being told that we must pass this Bill by tomorrow or the next day because if we do not the Minister will not be able to have a press conference announcing that he has met his obligations under the Montreal Protocol. If the Minister is going to start doing and stop talking—he has been Minister for almost six month—he should start examining in greater detail the implications of the unfettered use of CFCs in relation to refrigeration. In particular, he should know that industries, private individuals, in fact anybody, can drain CFCs directly into the atmosphere at the moment with absolutely no federal regulations to govern that situation. What kind of a climate are we actually creating?

[*Translation*]

Despite the Minister's lavish comments on the Montreal Protocol, Canada is currently welcoming to its Eastern Townships second-hand refrigerators that are being off-loaded in dumps all over the place and are draining CFCs into the atmosphere, in absolute contravention of the Montreal Protocol. And the Minister was asked when he would be making changes in the regulations under the Environmental Protection Act—why isn't he introducing regulations governing CFCs in refrigerators?

[*English*]

The Minister has the power. Why does he not exercise it? He has the power under Section 35 of the Canadian Environmental Protection Act to determine that the absolute negligence of companies that are prepared to allow CFCs to leak into the atmosphere should be the subject of an environmental emergency. We are talking about the coolant of one million refrigerators being leaked into the atmosphere, yet the Minister of the Environment refuses to do anything. The Minister would have us believe that he is very determined to meet his obligations under the Montreal Protocol. What has the Minister been doing since February 20? What has the Minister been doing since he stated:

> I am tomorrow issuing draft regulations to curb CFC use by more than 85 per cent.

Instead at literally the twelfth hour—that is 11 days before the date of the implementation of the Montreal Protocol—we are being told we have to pass this Bill today no questions asked.

In a report Greenpeace had a few things to say yesterday about CFCs. It gave a fairly damning indictment of the activity or lack of activity of the federal Government in relation to CFCs. What Greenpeace said bears repeating. Friends of the Earth that also has a non-governmental, non-biased, objective assessment of the federal Government's environmental record today is saying that the clock is ticking in relation to the hundreds of thousands of refrigerators. The clock is ticking in relation to the fact that as a matter of public policy the Government is creating a situation where we are being asked to welcome with open arms used, broken down, and leaky refrigerators from the United States.

Surely, the Canadian Environmental Protection Act has been drafted in such a way to permit the Government to act, not only in relation to our obligations under the Montreal Protocol but in particular in relation to our obligations under the Government's much vaunted commitment to the environment.

The Government and the Minister like to say that they play a leadership role. In early May of this year the first meeting of the Parties at the Vienna Convention and the Montreal Protocol were held in Helsinki, Finland. One of the issues discussed was a rapid phase-out of CFCs. They also looked at the specific issue of how to help developing countries in reducing and eliminating their use of CFCs.

We in the have countries have created many of the problems, and we are now putting a stop to the expansion of the manufacture of things like CFCs at the same time that the have not countries are saying "hey, wait a minute. You created the problem. You put the holes in our ozone layer, and now you are telling us that we cannot have the same kind of progress in relation to our Gross National Product as you have had". The have countries have milked the earth, and now we are telling the have not countries, the Third World countries, that it is their turn to bring forward regulations. That will obviously cost money.

• (1140)

At that meeting in Helsinki, Mostafa Tolba, head of the United Nations Environmental Program, suggested a specific initiative which would have created an international climate fund to assist developing countries to meet their obligations imposed on them by developing countries, for the most part under treaties and agreements like the Montreal Protocol.

As a result of that conference, Norway immediately offered to spend 0.1 per cent of its Gross National Product, approximately $105 million, on the international climate fund to save the world and to give developing countries the capacity to impose regulations that we want to impose upon ourselves. Why did Canada refuse to follow Norway's lead?

Let us examine the funding for CFC regulations that were gazetted on April 22, 1989. How much has the federal Government committed to spending on efforts to combat CFCs here in Canada? Is it in the millions? Is it in the billions? Is it half a million? It is a paltry, pathetic $223,000 from a Government that until a few short weeks ago was prepared to spend $10 billion on nuclear powered submarines.

Mr. Manley: That's even less than Marcel's book.

Ms. Copps: That is right. It might be a bit more, unless the book goes into repeat copies, but that is not likely to happen. It is approximately the combined cost of the appearance of the Minister of Communications at the Oscar ceremony and the cost of his book.

In my opinion and in the opinion of the Liberal Party, the Government is not committing funding and it is in fact cutting funding to CFC reduction and other specific strategies to clean up the environment because of what it has stated.

[*Translation*]

On a number of occasions during the election campaign the Prime Minister himself stated that the environment was the Tories' No. One concern. But then you look at the amount of money allocated to meet our obligations under the Montreal Protocol and it's $233,000 annually. That's laughable, Mr. Speaker, it's practically an insult. This government was ready to spend $10 billion on nuclear submarines, but it's going to pay $233,000 to meet our obligations under the Montreal Protocol! And now here they are urging us to pass this legislation right away, without any debate, without hearing from any groups like Friends of the Earth, who are currently busy exposing the complete bankruptcy of the federal government's environment policy. The government doesn't want to hear from Greenpeace either, which just yesterday announced that they were completely opposed to the Conservative policies, which talked a lot about the problem of CFCs but did very little.

Mr. Speaker, I realize that all this wearies the Hon. Member for Brampton (Mr. McDermid). He isn't interested in the fact that the ozone layer is in the process of being eaten away. But I can assure you, Mr. Speaker, that many thousands—and even many millions—of Canadians would like to be able to breathe good Canadian air 50 years from now. They would like to be able to live in a country that was not overheating. And at the present time our own manufacture of products like chlorofluorocarbons, for example, is destroying the atmosphere's ability to absorb distant light, Mr. Speaker. We are going to create a situation where in 75 years this planet, including Canada, will be overheated to crisis point—we are seeing that already when every summer the earth heats up another degree or two or more. We are seeing—

[*English*]

It is the dog days of summer. They are increasing by leaps and bounds. It has very little to do with natural climatic change but has very much to do with the damage we are inflicting on ourselves.

If the Government is really serious about a major assault on chlorofluorocarbons, it should do more than it has. It has brought amendments before us which are mere housekeeping amendments to resolve a situation the Government created for itself by asking Parliament to pass a poorly worded and indefensible amendment to the Canada Environmental Protection Act. If the Government is truly serious, it should couple these amendments with other specific initiatives relating to refrigerants and CFCs escaping into the environment on a daily basis. Frankly, I doubt that the Conservatives will move in such a direction. As far as they are concerned, the philosophy of their Party and their Government is that everything is driven by the almighty buck.

Let us go back for a moment and examine statements made by various Conservative Members at a time when we were in a position to bring forward strong and specific legislation relating to CFCs and refrigerants. The then Hon. Member for Selkirk—Interlake, in a debate on a motion held on March 8, 1988, had the following to say about the fact that were killing ourselves with our own CFCs:

> Certainly, research is fundamental to getting environmentally safe substitutes to market. But given the potential profits, is this not an activity that would be best left to the private sector?

The private sector means companies like General Electric, a company which is right now in the process of leaking CFCs from one million refrigerators into the North American environment. If the private sector can do this cheaper and without the added expense of environmental protection laws, what incentive would there be for it to do it in a way that would be environmentally sustainable? The private sector looks for the bottom line.

Speaking of specific research, a representative of the Government of Canada, when confronted with this absolutely scandalous corporate behaviour of leaking CFCs into the environment, said that no technology exists which can actually effectively recycle CFCs. That is an absolute falsehood.

I do not have the resources of a multi-million dollar Department at my disposal. I have three people working in my office in Ottawa and two working in my office in Hamilton, and it did not take me that long to get in touch with Roger Dumais, the regional sales manager for ThermaFlo in Springfield, Massachusetts, a company with capacity to reclaim and recharge chlorofluorocarbons. This company recycles chlorofluorocarbons from used refrigerators to other units.

Notwithstanding the Government's claim that no technology exists, the brochure of this company says that now it is easy to recycle refrigerants, protect our atmosphere and, according to the brochure, save money. This company has developed the most effective, low cost, portable CFC reclamation and charging unit on the market today. It can be used in automobiles with air conditioners, buses, trucks, room air conditioners, refrigerators, commercial chillers, and virtually any refrigeration system utilizing CFCs as a refrigerant. At the moment this very company is in discussion with companies such as General Electric, so the technology exists. How can the Minister possibly justify a statement by his own Department that no specific technology exists to reclaim chlorofluorocarbons? That is simply false.

• (1150)

It is no wonder that the public confidence in the political process is undermined when we have a Minister of the Environment who is essentially the head of the Department that is spreading falsehoods about the capacity to reclaim chlorofluorocarbons.

When the Minister comes before the House, as he has by way of his Parliamentary Secretary today, and asks us to pass those specific amendments with respect to CFCs, we say yes. We want to support the Minister, even though it took him approximately three or four months to find out that his own legislation was not up to scratch. If he is to introduce specific legislation in relation to CFCs, surely he should deal with the over-all objectives of the reduction, not only in the manufacture and new production of CFCs but also in the recycling of CFCs as they are currently being used by millions of Canadians.

That is why today in committee we have suggested that in the course of approving this legislation we would like to hear from groups such as Greenpeace, the Canadian Environmental Law Association, Canadian Environmental Network, and Friends of the Earth to see what suggestions they may have to improve and ameliorate the legislation before us.

I must say again that I do not know to whom the Government is talking and with whom the Minister is consulting. He certainly does not seem to be consulting very much with environmental groups. If he had consulted with them, he would have known that according to a release which came out this morning from Friends of the Earth the technology is currently available to cut production of CFCs by over 60 per cent in three years and eliminated by 1995.

As we have stated both in committee and in the House today, the Government also has the capacity to use its emergency powers under the Canadian Environmental Protection Act to ban CFCs in aerosols, rug underpadding, and foam packaging immediately. The capacity is there. It is a fraud to state that the Government is not able to proceed in this area. The Government could move immediately to ban CFCs in polystyrene foam insulation, solvents for metal cleaning, and flexible foam by July 1, 1990. It would still have the capacity over the next year to move into other areas. The Government has the capacity to ban the use of CFCs in new air conditioners which are not hermetically sealed. If they are not hermetically sealed, they will leak, and leak they do.

If the Government moved immediately, using its powers of emergency under the Canadian Environmental Protection Act, to ban the use of CFCs in new air conditioners which are not hermetically sealed as of the 1991 model year, it would begin to address the problem that it states it wants to address. It could ban CFCs used as solvents in the electronics industry and those used for sterilization by July 1, 1991.

Refrigerators are being brought in by the thousands and are finding their way into dumps all over the Eastern Townships. The Government must require recycling, recovery, system modifications, and selective replacement with alternative chillers by 1992 in the area of refrigeration.

Without those specific initiatives which are within the purview of the Minister under the specific emergency powers that are accorded him under CEPA, without those specific changes we are talking about merely window dressing. That was pointed out very specifically in the brief which was released on Monday by Greenpeace. That particular brief was made known to a Government that obviously does not appear interested in knowing about environmentally safe alternatives for CFCs, and that reduction in a major way is certainly not only feasible but possible and should be done if we are to deal with the problem of ozone depletion. If we do not, we will not be able to breathe.

The Government is talking about phasing it in in a gradual way. The Government is refusing to assist Third World countries by specific financial obligations. It is setting aside a paltry sum of $220,000. It is a farce and a joke.

The Government wants Canadians to believe that its number one priority is the environment. Yet, it is allowing CFCs to escape into the environment on a daily basis with no specific legislation to prevent it. Not only is the Government letting those CFCs escape, but it is actually setting up a situation where, under the almighty dollar of the Conservative philosophy, we are encouraging companies to import refrigerators into Canada for disposal. Whether or not the refrigerators are imported, CFCs will potentially escape into the atmosphere unless Governments globally deal with the issue of recycling as well as manufacturing.

I thought, until I started to examine the dossier a little more closely, that the statements of concern expressed by the Government were a forerunner to specific urgent and emergent activity of the Government. Instead, it seems that it never wants to act until it is dragged pushing and screaming into making specific changes.

The Ontario Government made its most recent announcement on February 16 with respect to a plan to phase out CFCs. The British Columbia Government followed suit on the same day as the federal Government. Once again, the federal Government did not take the lead but merely followed.

[*Translation*]

And I think that the Minister of the Environment, who's supposed to care about the Montreal Protocol—he's an example of complete bankruptcy as far as the environment is concerned. We know very well, Mr. Speaker, that it's in the Minister of the Environment's home province that all those refrigerators imported from the United States can be found. It's in the Eastern Townships where there are at this time thousands of second-hand refrigerators, brought in from the United States and dumped here.

It's the Minister himself who claims he's proud, oh so proud, of the Montreal Protocol, and who said in February that he would lead the world in reducing the use of CFCs everywhere on this planet.

I think, Mr. Speaker, the reason why he is not here in the House to discuss his own plans with respect to CFCs is because he is ashamed that he cannot—

The Acting Speaker (Mr. Paproski): The Hon. Member for Gaspé (Mr. Marin) on a point of order.

Mr. Marin: Mr. Speaker, I agree with our colleague who for the past twenty minutes has been discussing the importance of the environment. However, perhaps it would be best if she stopped making political hay of this issue and directing unfounded accusations at the government and other agencies.

[*English*]

The Acting Speaker (Mr. Paproski): That is not a point of order. It is a point of debate. The Hon. Member for Hamilton East.

[*Translation*]

Ms. Copps: I'm not making political hay of this issue. I'm sorry but I'm a politician!

The point I want to make, Mr. Speaker, is that it is not I who mentioned the Montreal Protocol. Unlike the Minister of the Environment, I have not claimed since February to be deeply concerned about this issue, so concerned as to move quickly to draft amendments respecting CFCs to ensure that our obligations under the Montreal protocol were met. It was the Minister of the Environment (Mr. Bouchard) who stated to those willing to listen that his primary consideration was his and Canada's obligation with respect to the Montreal Protocol. It's now— What day is it today?

• (1200)

Mr. Gauthier: June 20.

Ms. Copps: It's now June 20. February, March, April and May have come and gone. Now five months later, in June, all of a sudden the Minister discovers just ten days before he must meet his obligations under the Montreal Protocol that he does not have the means to do so because the legislation was poorly drafted in the first place. We commented on this fact when the legislation was drafted in 1987 and 1988, but the former minister insisted that we meet all of our obligations along with the passage of the Canadian Environmental Protection Act.

Mr. Speaker, if the Minister himself wants to show that he is truly concerned about reducing chloroflurocarbons, as he has stated on numerous occasions following the signing by Canada of the Montreal Protocol, why is he not prepared at the same time to introduce amendments respecting the chloroflurocarbons in refrigerators currently found in the Eastern Townships? Why is he not prepared to ban their use under section 35 of the Canadian Environmental Protection Act? He has the authority to take this kind of action. He has the authority to move immediately to prohibit one million refrigerators, including refrigerators in the United States— General Electric is currently repairing 25,000 of its refrigerators at its CAMCO subsidiary in the riding of Hamilton. General Electric is repairing these refrigerators without realizing that CFC leaks are occurring. Ours planet's ozone layer is endangered. If asking the Environment Minister to protect Canada's climate and atmosphere is viewed as making political hay of this issue—

An Hon. Member: No.

Ms. Copps: I will continue to make political hay of this issue because personally I'm not convinced by the Envrionment Minister's nice Words. Despite the statement made by the Minister on February 20 and his other statements in which the envrionment has been made the number one priority, the only way the Minsiter can succeed in convincing me is by taking concrete steps to reduce the use of CFCs in Canada.

We are seeing no evidence of this today. On the contrary, the Minister himself did not get involved in the matter until the eleventh hour, just before the Montreal Protocol was set to come into force. He arrives here in the House claiming that the legislation must be adopted as is or Canada will not be able to meet its obligations under the Montreal Protocol. I am willing to go along with the proposed amendments, but I think they should be adopted along with others that would provide greater environmental protection in Canada and would touch on international issues.

We know that following the signing of the Montreal Protocol, a meeting was held this spring in Helsinki to examine how developed countries could help developing nations to meet their obligations respecting the production of CFCs. Norway suggested that all countries contribute 1 per cent of their Gross National Product to an international climate fund.

Mr. Speaker, CFCs pose a threat to the whole universe. When CFCs leak from a refrigerator in Canada, our country is not the only one to be affected!

What we are considering, really, is the whole planet's atmosphere and, for that reason, Canada has a vested interest in helping under-developed countries to meet their obligations concerning CFCs as well as their obligations under other protocols dealing with climatic issues. But Canada has refused to give so much as penny and Mr. Wilson's last budget shows that the government is even reducing aid to Third-World countries.

Canada, as a developed country, has contributed to the problem in a big way and a lot of the CFCs in the environment come from Canada and the other developed countries. Now that our economy is developed, we would ask the Third World countries to stop developing, but we are not ready to assist them financially. That is another question that could have been raised when the Minister came to the House and asked us to amend the Canadian Environmental Protection Act. He could have raised the question of financial aid to the Third World.

He could also have raised the matter of research, because as far as research goes, Mr. Chairman, it is obvious that the Conservatives' policy is that everything must be done by the private sector. We have even seen, since this government has taken power, thousands and thousands of dollars for research on alternative energy forms being cut. We have witnessed, two or three months ago, the closing of all the offices with responsabilities in the area of alternative energy forms in the Department of Energy, Mines and Resources. At the same time, the Minister of the Environment comes here and asks us to meet our obligations under the Montreal protocol while his own government is cutting funds for research on alternate energy forms. How can we then believe what the government says on this matter. Why not ask the advice and support of environmental groups such as Friends of the Earth? Why not ask Greenpeace for expertise?

Why, for example, do we not ask the Thermaflow Company, from Massachussetts for their expert advice. Why not launch an appeal to all the stakeholders in the country? Why were we forced into a situation where we now have no choice but to say: "We are not in a position to speak with anyone because the Minister has not done his homework. He has not been doing his job since February 20th. If he had, we could have held these discussions in the month of March, in the month of April, in the month of May. We were available, we have been sitting and discussing the environment every week. But we have not heard a word from the Minister before the month of June. On May 31st, there was an urgent meeting in his office but, after that, we waited 20 days before the Bill was discussed in the House.

We would like to work with the groups that are the most knowledgeable in these areas. Yet all we see, is a Minister who's quite willing to make speeches, who's quite willing to hold cocktails to show off everything that he's been doing about the environment—

[*English*]

The Acting Speaker (Mr. Paproski): Order, please. I regret to interrupt the Hon. Member. She has but one minute left. I would appreciate it if she would wind down.

Ms. Copps: Mr. Speaker, I thought I was wound up.

In closing, I must say that we certainly intend to support this legislation. We are very disappointed that the Minister failed in his responsibility last February to bring this matter properly to the attention of the House by way of a full Bill.

However, in the meantime, cognizant of our obligations under the Montreal Protocol, we hope to have a chance to hear from Friends of the Earth, Greenpeace, the Canadian Environmental Network, the Canadian Environmental Law Association and others in advance of the passage of this legislation within the next few days.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to have an opportunity to speak on Bill C–22. I share the concern on this side of the House that the Minister of the Environment (Mr. Bouchard) could not be here to speak to Bill C–22. I think the House and the country would like to know what kind of regulations and enforcement actions the Minister is proposing.

• (1210)

I know we heard from the Parliamentary Secretary, but the issue is of enormous import not just to Canadians but around the world. The holes in the ozone are growing and certainly CFCs are one of the most serious problems in relation to those holes. We know from scientific evidence that even if all leakage of CFCs into the environment were stopped now it would take several centuries for the ozone to return to a stable situation. It does not belie well in the House that the Minister did not come to talk about what steps he and the Government of Canada intend to take to move forward the date at which all CFCs will be removed from our environment. We have not heard yet from the Minister, even his own dedication on the concept of zero discharge of chlorofluorocarbons and other ozone depleting chemicals.

We particularly have not heard from the Minister or the Government about what kind of enforcement or plan they have in relation to CFCs. We have not heard of an action plan to advise the public so they know about refrigeration systems, about the air conditioner in their car or in the tractor, as my colleague reminded me, or the refrigeration units in freezers and refrigerators on their own property.

We also have not heard from the Government about what kind of steps are planned to be phased in so those who most often come into contact with CFCs, particularly those who are in the repair industry, whether it be motor vehicles, tractors, refrigeration units or some of the larger units that contain large amounts of CFCs, know that in fact there are enforcement and regulatory processes in place to make sure that those repair persons and those assembly plant workers where CFCs are still being used have absolute state of the art technologies to remove CFCs from old refrigerators before they go to the dumps and from cars before they go to the junk yard or are repaired. There is no enforcement process across Canada.

The Minister is really blowing in the wind when he talks about the need for this technical amendment when there is not a comprehensive plan in place. In fact, many people believe that CFCs could be dramatically reduced and, in many cases, removed from utilization in Canadian society by the year 1992. This is such a serious global problem in which Canada should take a lead.

I think it is unfortunate that the kind of steps necessary to lead us to zero discharge are not being implemented. Refrigerators are still going to landfills and dumps. Repair people are still venting what is left of the CFCs in tractors, refrigerators, freezers, and air conditioners simply into the atmosphere when they could have containment equipment on site to hermetically seal them prior to and after dealing with them and then properly dispose of those CFCs or recycle them into equipment on which they are still working as we head toward zero utilization of CFCs in all forms in our environment.

There are two notes which I believe are important for the record. One is an information note provided by the Minister of the Environment (Mr. Bouchard) to me. Having learned in the past that there are sometimes problems with information provided by the Government, I intend to put it on the record in its entirety. It states:

Information note.

Issue: Amendments to Sections 33 and 34 of the Canadian Environmental Protection Act.

Background:

The Canadian Environmental Protection Act received Royal Assent on June 30, 1988. Section 34 of the Act provides authorities to regulate toxic substances there added by order to Schedule 1, the List of Toxic Substances. The Act as passed in 1988 contains a List of Toxic Substances in Schedule 1 that were added by Parliament, not by order.

As a consequence, regulations developed under the Clean Air Act and the Environmental Contaminants Act and consolidated under CEPA were found not to be enforceable.

In addition, the current wording of S. 34 makes it impossible to develop additional regulations for the toxic substances that were listed by Parliament.

Existing regulations therefore were temporarily brought back into force by the use of Interim Orders.

Although the Act provides that Interim Orders are effective for two years or until replaced by regulations, the replacement regulations cannot be made without amending S. 34.

More importantly, Canada's commitment under the Montreal Protocol on the Protection of the Ozone Layer to Regulate Chlorofluorocarbons (CFCs) by July 1, 1989, cannot be met, since CFCs are already on the List of Toxic Substances in Schedule 1.

The amendments to Sections 33 and 34 correct the wording error by removing the need for an order to be made to add a substance to the List of Toxic Substances before regulations can be made in respect to the substance.

That is what the Minister's note says.

Let me quote what the Library of Parliament has to say in its June 8, 1989 note to members of the committee:

An Act to amend the Canadian Environmental Protection Act, notes on Bill C–22.

Bill C–22, which received first reading in the House of Commons on June 1, 1989, would amend sections 33 and 34 of the Canadian Environmental Protection Act, (CEPA), as proclaimed into force on June 30, 1988. The Bill, composed of two clauses, can be best described as housekeeping in nature. It would remove certain anomalies found in sections 33 and 34 that pose problems in respect of the regulation of toxic substances.

Environmental Protection

In order to regulate a toxic substance under CEPA, the substance must first be placed on the List of Toxic Substances found in Schedule 1 to the Act. Section 33 currently provides for the inclusion on or deletion of a substance from this List.

A substance is added to the List by order of the Governor in Council, but the order becomes effective only when regulations affecting the substance made pursuant to section 34 of the Act come into force, (subsections 33(1) and 33(2)).

Clause 1 of Bill C–22 would amend section 33 of CEPA by repealing subsection 33(2) of the Act and by making a consequential amendment to subsection 33(1) to accommodate the deletion of subsection 33(2). The effect of this amendment is to allow an order of the Governor in Council placing a substance on the List of Toxic Substances to take effect when it is made rather than when the regulations in respect of the substance are made. A considerable amount of time might pass between the making of an order and the coming into force of regulations during which the substance would technically not be on the List.

This amendment would ensure that the status List of Toxic Substances is not dependent on whether regulations are made under Section 34 of the Act. It is clear that subsection 33(2) is not essential to the statute's regulatory scheme and may in fact complicate the process of regulating toxic substances.

Section 34 of CEPA currently provides that where an order has been made adding a substance to the list of toxic substances in Schedule 1 of the Act the Governor in Council can, after an advisory committee has been given the opportunity to render its advice, make regulations in respect of the substance. It is important to note that this section states that regulations can be made only in respect of a substance that has been added to the List by an order of the Governor in Council.

There were a number of substances on the List of Toxic Substances when CEPA was passed. These substances are on the List not by virtue of an order in council but because they were already in the statute. Because Section 34 currently allows regulations to be made only in respect of substances that are on the List by an order of the Governor in Council, substances that became part of the List in any other manner cannot be regulated. It would appear, therefore, that there is no legislative basis under CEPA for regulating the substances contained on the List of Toxic Substances at the time the legislation was passed.

It should be noted that among the substances found on the List for which regulations cannot be made are chlorofluorocarbons (CFCs), in respect of which the Canadian Government is committed to regulate under the 1987 Montreal Protocol on Substances that Deplete the Ozone Layer.

Clause 2 of Bill C–22 would remove from section 34 of CEPA the reference to orders placing a substance on the List of Toxic Substances, thereby making it clear that regulations can be made in respect of any substance found on the List.

We should look at exactly what is in Schedule 1 because this is what the nub of the amendment to Sections 33 and 34 is all about, albeit the Minister and the Government are particularly attuned to the July 1 date for the implementation of the 1987 Montreal Protocol. We find under Schedule I, which is the list of toxic substances passed by Parliament, the following categories. There are chlorobiphenyls which have the molecular formula C12H10–nC1n in which "n" is greater than 2. We have dodecachloropentacyclo decane. We have polybrominated biphenyls that have the molecular formula C12H10–nBrn in which "n" is greater than 2. We have chlorofluorocarbon, totally halogenated chlorofluorocarbons that have the molecular formula CnC1xF(2n + 2–x). We have polychlorinated terphenyls that have a molecular formula C18H14–nC1n in which "n" is greater than 2. There are four other families. I put those on the record to have some idea of how complicated the toxic substances in chemical families are. Then there are four that I think the Minister should have been here to address. There is asbestos, lead, mercury and vinyl chloride, substances that are extensively used and find their way into our environment.

• (1220)

Let us look at Bill C–22 because in fact it is going to require further amendments. I say that because when one looks at the wording of the new proposed Section 33 it says:

> Subject to subsection (4), the Governor in Council may, if satisfied that a substance is toxic, on the recommendation of the Ministers, make an order adding the substance to the List of Toxic Substances in Schedule I.

I have just listed those before the House.

If one looks at the English version of the Canadian Environmental Protection Act as is statute law in Canada, what Section 33(1) says now is the following:

> Subject to subsections (2) and (4), the Governor in Council may, if satisfied that a substance is toxic, on the recommendation of the Ministers, make an order adding the substance to the List of Toxic Substances in Schedule I.

So the amendment is quite clear in English. As one can see in C–22, the English amendment is listed both under the English section and under the French section.

This is where it becomes interesting and where all Members of this House should become increasingly suspicious of who is drafting this and why additional loopholes are being created without being forthright with Members of the House. You will have to excuse my pronunciation, Mr. Speaker, but I think you will understand the distinction between 33(1) as it is in English and in French in the Act now and what is being proposed in the English here will still no longer be comparable to the French that remains in the Act. The French in the Act says the following:

S'il est—qu'une substance est toxique, le gouverneur en conseil peut prendre, sur recommandation des ministres, un décret d'inscription de la substance à la liste de l'Annexe I.

[*English*]

That is not the same as the English in the Act, nor is it the same as the English that is being proposed as an amendment. Yet those who have drafted this from the Department of Justice and Environment Canada still have made no attempt to bring the French and the English into parallel.

As you and I both know, Mr. Speaker, when matters are taken before the courts, the courts are required with statute law to look at both the French and the English. One has to ask oneself, why are all of these sections of the Act not comparable? Why is it that in the English it is now going to say, if this amendment passes, "Subject to subsection (4), the Governor in Council may—" do the following, but in French it leaves the powers entirely to Ministers and Governor in Council?

Let us look at what subsection (4) is. Why is it that in the French part of the Act there is an attempt to avoid a very important procedural process that was put into the Act when it was originally drafted? Subsection (4) says:

> Where a Board of Review is established under Section 89 in relation to a substance, no order may be made under subsections (1) or (3) in relation to the substance until the board's report is received by the Ministers.

If we look over to the French we find a comparable translation. It says:

La prise des décrets visés aux paragraphes (1) ou (3) est toutefois subordonnée à la réception par les ministres du rapport de la commission de révision éventuellement constituée en vertu de l'article 89.

[*English*]

Let us look at Section 89 because this is where the paper trail becomes interesting as to what is going on in the Departments of Justice and Environment Canada. This House cannot and should not under any circumstances pass relevant sections of law that are not comparable in the two official languages of this country. Therefore let us look at Section 89, the Board of Review Proceedings. This is where the public, Greenpeace, Friends of the Earth, Canadian Environmental Law Association, people who are concerned about asbestos in Cassiar, people who are concerned about lead in gasoline affecting children have an opportunity to become involved in the Canadian Environmental Protection Act and the establishment of a Board of Review. I quote from Section 89:

> Where a person files a notice of objection under subsection 13(2), 48(2) or 86(4) in respect of a decision or a proposed order or regulation, the Minister or the Ministers may establish a Board of Review to inquire into the nature and extent of the danger posed by the substance in respect of which the decision is made, or the order or regulation is proposed.

So we have a process that is directly related to the amendments proposed in the House that is not provided for adequately in the two official languages as they are set out in the Bill brought forward by the Parliamentary Secretary today.

The Minister has asked us to support it and move it through quickly. We are certainly going to try and get it through the House and over to committee quickly because it is important that we have the powers to regulate in the country. But when we see a dirth of enforcement and inadequate proposals being made in terms of the removal of things like CFCs from our environment, when we know with absolute certainty what it is doing to the ozone of our planet, and then we get a piece of legislation brought to us that we are asked to move quickly forward we find it fatally flawed. How can there be such a distinct difference between Section 33(1) in English and French?

Let us look a little further. Under Section 89, is one of the interesting things that is referred to in English but not in French. I quote from subsection (2):

> Where a person or government files with the Minister a notice of objection under subsection 62(2) with respect to proposed regulations within the time specified in that subsection, the Minister shall establish a Board of Review to inquire into the nature and extent of the danger posed by the air contaminant in respect of which the regulations are proposed.

Subsection (3):

> Where the Minister has published a copy of a permit or of any varied terms and conditions under subsection 73(1), the Minister may, if he considers it advisable to do so, establish a board of review to inquire into complaints from members of the public in respect of the permit or the varied terms and conditions.

Subsection (4):

> Where a person files with the Minister a notice of objection under Section 51, 55 or 74 within the time specified in that section, the Minister shall establish a board of review to inquire into the matter raised by the notice.

These are very important legal processes provided to the public. Subsection (5):

> Where a person files with the Minister a notice of objection under Section 14 in respect of the failure to make a decision about whether a substance is toxic, the Minister shall establish a board of review to inquire into whether the substance is toxic or capable of becoming toxic.

So what do we have here? Let me quickly review. We had a situation where, under the existing legislation, the Minister was not as fettered as he now claims to be when utilizing subsection 33(1) *en français* in the Act. He was fettered though in the English because it said: "Subject to subsections (2) and (4)". Of course subsection (2), which is to be deleted says:

> An order adding a substance to the List of Toxic Substances in Schedule I is effective on the coming into force of regulations made under subsection 34(1) with respect to the substance.

I will be encouraged later in this day to hear from the Government side as to why this has been allowed. Why was it allowed in the first place that there be such an enormous distinction? My friend in the Liberal Party and I met with the Minister, Mr. Higgins and others from Environment Canada who are very knowledgeable in this matter. However, I cannot fathom why Bill C-22 would be brought to us and we are asked to pass an amendment in English that is not found to be represented in the legislation as it stands. Nor do they offer to provide us, without amending this, an opportunity to bring the French and the English in Section 33 into accord. I think that is of fundamental importance and should be part of the focus of the debate today.

• (1230)

Let me go back to the problem. I understand that the hope is that Bill C-22 will be before the Standing Committee on Environment on Thursday where witnesses will be heard from Greenpeace, the Canadian Environmental Law Association, Friends of the Earth, as well as those Justice people who drafted the legislation, and officials from Environment Canada.

The Bill is only one page long. It is not an horrifically difficult Bill to deal with, but I certainly put the Government on notice that I want adequate explanations of why we are asked to amend a Bill in which there is such a distinct difference between the French and the English in the law.

I will return to CFCs themselves. I have not yet heard from the government side, and in particular the Minister, what serious steps he plans to take in relation to CFCs. He has been on notice for weeks through questions I have raised in the standing committee, questions raised by my friend from Davenport, and questions by others in relation to the problems with existing refrigeration units, whether those be refrigerators, freezers, air conditioners in cars, trucks, tractors, or heavy duty equipment in large buildings which is the place where most of the CFCs in Canada presently reside.

Many Canadians scratch their heads and wonder why, although the Government of Canada entertains these plans *vis-à-vis* CFCs and wants to be involved on July 1 in relation to the Montreal Protocol, we see the rolling loonie every night on the television screen talking about Canada's sudden national debt of hundreds of millions of dollars. The Government is prepared to spend millions on that kind of advertising, but there is not even a leaflet which can be provided to people in the repair industry in relation to refrigeration equipment. Why is it that there is no material available in schools, at universities, in airports, or anywhere in the country on the hole in the ozone?

Canadians are deeply concerned about what is going on in the world's atmosphere. They know intuitively, almost instinctively, that the combination of the greenhouse effect, the hole in the ozone, acid precipitation, and general atmosphere and climactic change poses a very real threat to the survival of almost all species on earth, in particular our species which will not survive very well if the trends continue, in particular in relation to the hole in ozone.

I think this debate would have been much more healthy and more supportable if we had heard from the Minister today in an extensive speech on how he intends to lead Canada to the reduction, removal, and recycling of those existing CFCs by 1992. It is achievable. We have heard from experts that that is in fact achievable. Why is there this artificial date toward the middle of the next decade and the end of the century?

Those of us who have looked into this matter know that there are existing technologies for the rapid, safe and inexpensive removal of CFCs from existing technologies. They can be reinjected into other systems which should be sealed so that there is as little likelihood of leakage as possible.

We ask ourselves why the steps are not being taken. We are asked to pass regulatory change which is basically *functus*. I would certainly ask the Minister of Justice how he can explain such radical differences between English and French. I really look forward to learning on Thursday why they were so different in the first Act and why, even though we are making such radical changes in amending the Act, the French is going to stay the same.

I want to know where that rabbit burrow, as one might describe it, that tunnelling leads in legislation. Why is it being introduced? I do not like to know that the gnomes over at the Department of Justice are involved in this kind of chicanery and trickery of Members of the House in hopes that they can slip it through on an idle afternoon. They certainly will not, Mr. Speaker. They had better be ready with trepidation on Thursday, with some good explanations.

We in this House all have a desire to do serious things about the atmosphere, to try to bring greenhouse gases under control, and to try to deal seriously with CFCs. However, we are not seeing that. I am not suggesting for a moment that we on this side of the House should in some way delay or hold up the movement of Bill C-22 into committee. It certainly will be held up when it comes back to the House if there are not adequate explanations of what has gone on to this point in relation to why it was fumbled in the first drafting and why it has been fumbled in the drafting of the amendment before us in the House.

We will certainly be waiting expectantly on Thursday to hear from the Government exactly what are the new enforcement procedures. Are we to stop the dumping into land fill sites in the Quebec townships of refrigeration units coming from the United States? The contents of those refrigerators are on Schedule 1 of the toxic substances list of CEPA now. The Government is going to have to demonstrate very quickly and in all good faith what regulations the Minister is proposing once he gets this amendment.

Why have we not seen those yet? We should see them on Thursday, and I hope we do because that may lead to rapid passage of this Bill at third reading. If we do not get some co-operation and some idea of what kind of enforcement procedures are going to be forthcoming, there will not be much co-operation in the future.

Having studied the law and having noted the problem that exists, we know that this is a serious technical problem which must be overcome by amendment, but I am not certain that this is the amendment. I certainly hope that the Parliamentary Secretary will take the time to drop by the Department of Justice, to speak to Peter Higgins, to find out exactly who hatched this particular approach, and to find out whether or not in the hatching they might want to bring a few other eggs to hatch in committee on Thursday in order that the amendments to Bill C-22 can be properly made while it is before committee.

I know that my colleague wants to speak before one o'clock. I think I will give him the opportunity to do so. I believe that I have covered the problems I see with the legislation. The Government's approach is too slow, too ineffective, without enforcement, without teeth, and without taking seriously the kind of leadership role that Canada should be playing on CFCs. I am concerned and dismayed that on this day the Minister is in Canada, in Ontario, in Ottawa, and not in the House. He did not choose this opportunity to come and speak on an issue of global importance and of great importance to Members of this House, particularly on this side.

Mr. McDermid: Mr. Speaker, I rise on a point of order. It is a tradition of the House that we do not discuss the attendance or non-attendance of Members of Parliament in the House of Commons. The comments made by the Hon. Member at the end of his remarks, to which we listened to attentively, were totally uncalled for and I think he should apologize.

The Acting Speaker (Mr. Paproski): The Hon. Member for Skeena is a long time Member and I am sure he knows that. I did not hear the remarks at the end of his speech, but if he made such remarks I am sure he will apologize.

Mr. Fulton: Yes, I am very sorry that he is not here, Mr. Speaker.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, this is a constructive debate, and I will continue in the same vein as my colleagues by drawing to the attention of the Parliamentary Secretary the fact that there may be another puzzling shortcoming in Bill C–22, namely, the omission from the French version of Bill C–22 the words "*par décret*", the equivalent of the term "by decree", which also is not present in the English version of the Bill.

• (1240)

Constitutional experts would draw to the attention of the Government the fact that such an omission would mean that the Standing Committee on Regulations and other Statutory Instruments would not have the power to examine, in due course, the performance and the consistency of this Bill with other pieces of legislation.

Maybe the Parliamentary Secretary would like to make a note of it and check it with the overworked Department of Justice, which evidently reflects a low budget, too few lawyers for too much work, and the inability of the Government to provide enough resources in the Budget so that Bills are properly drafted.

I am sure that the Parliamentary Secretary understands and that he will look into this matter.

What worries us is that behind this measure is of course the urgent question of chlorofluorocarbons and how they might affect the ozone layer and human health. Others have already referred to it. I would like only to register through the Parliamentary Secretary to the Minister the fact that while the Minister of the Environment has promised to reduce the production of chlorofluorocarbons by 85 per cent, the regulations that are being presently proposed would achieve only a reduction of 50 per cent. That would be a very disturbing, large gap.

I would hope, if that turns out not to be the case, that in his opening statement in committee the Minister will clarify this matter so that we will have a confirmation that the regulations are consistent with his promise. This is very important because of the fact that the health of Canadians is at stake if we do not move quickly.

We also need to consider the necessity, if alternatives to chlorofluorocarbons are not technically in existence, to forgo certain products and to forgo certain uses, certain consumptions in society, because if we do not the damage is irrevocable. We are dealing here with the immune system of human beings, and therefore, with a very important and central question of health.

I would also reinforce the notion of others that the Bill would actually require further amendments. Unfortunately, this is not the case today, but we would certainly want to register with the Government the necessity to introduce further amendments. The law as it functions at the present time is flawed.

The Government at the present time cannot set enforceable national standards as demonstrated in the case of PCBs. I will go into that in a moment. Second, the Minister of the Environment is the only person in the country who can seek an injunction to stop a violation of the Act. Third, another shortcoming is that the law as it stands now lacks a general prohibition clause as we have in Section 33 of the Fisheries Act, which would make the release of any pollutant an offence, not just the ones listed in the schedules of the Act. This is a very central question. Finally, in the event of an emergency, the federal Government cannot move alone. Mandatory consultation with the provinces affected is required.

I will not elaborate at length on the lack of national enforceable standards. The enforceable national standards were lost between December 1986 when the proposed Environmental Protection Act was released as a draft for public discussion and the final clause by clause work in committee. Over the period between December 1986 and the spring of 1988, as a result of Meech Lake influence on the thinking of the Government, we lost the capacity for the federal Government to establish and impose enforceable national standards. I will not elaborate on how this took place. It makes very interesting reading.

All that needs to be said is that today we are asked, as a result of the law which was finally passed, to make a change in a law that at present indicates that no regulations could be made until after a federal–provincial advisory committee, and I quote, "is provided an opportunity to render its advice". That is how the Bill reads at the present time.

For some reason that phrase has to be amended through Bill C–22. The word "given" has to be substituted for the word "provided', and "provide" has to be substituted for the word "render". The new clause would now read that a federal–provincial advisory committee "is given an opportunity to provide its advice", instead of "is provided an opportunity to render its advice".

Since you probably understand, as a literary man, Mr. Speaker, the English language much better than I do, what is the difference between these two phrases? I have enormous difficulties in understanding it.

I followed very carefully the excellent presentation by the Parliamentary Secretary. He certainly gave us a very interesting technical insight into the reasons. However, when it comes to the language, which in the end what we have to look for, I really have difficulty understanding the difference between "is provided an opportunity to render its advice" and "is given an opportunity to provide its advice".

Maybe, when the Bill goes to committee, an explanation as to the profound semantic reasons for this change will be given so that we will be enlightened. We are in the dark. We do not know whether this amendment will strengthen the Bill from a federal point of view, whether this amendment will weaken it, or whether it will make it indifferent.

You will understand, Mr. Speaker, that as legislators some light needs to be cast. It is interesting to note that a former Minister of the Environment admitted that the weakening or the relinquishing of powers to the provinces in making national enforceable standards in the environment was a result of negotiations with the provinces behind closed doors. These negotiations were held at a time when the former committee was holding public hearings on the Bill preceding the one we are debating today. Of course we felt at that time as if a mockery was made of public consultations. When the various organizations appeared before us we were looking at a different Bill. It caused consternation and the quality of the relationships in committee was deeply affected.

We know what the result was when it came to PCBs in the aftermath of St. Basile le Grand. Safe storage was the first item on the agenda. The former Minister of the Environment was quoted as saying: "The actions I am taking ensure that PCB storage sites in every part of Canada meet high national standards".

Within two months nine provinces had sought from Ottawa to be exempted from such standards under the equivalency provisions of the Canadian Environmental Protection Act.

• (1250)

On May 12, 1989 all provinces except Prince Edward Island were granted exemption from high national standards. It must be noted and underlined that none of the provinces have the same penalties and fines in place which exist under the Canadian Environmental Protection Act. Nor do the provinces guarantee the investigation of infractions of the law as the Canadian Environmental Protection does. Yet, it was ruled that provincial laws are equivalent.

In the case of PCBs—and I want to make this case to the Parliamentary Secretary who is patiently following this matter—instead of a single national standard for the storage of PCBs we have the federal national standard in P.E.I. and in the Territories. Then we have nine different provincial standards. We have uneven regulations which can lead to the creation of pollution havens where regulations are weakest. This unevenness is made worse by enforcement practices which vary from one province to another.

With PCBs we begin to see the emergence of a veritable environmental quilt. The environment is no longer a federal responsibility. It has been fragmented and Balkanized. Therefore, the experience with PCBs in the application of existing legislation erodes our confidence in the commitment of the Government to bring in tough enforceable national standards for the substances which have not yet been approached, such as CFCs, dioxins, furans, and other toxic substances. This is why we are preoccupied and why we must take the opportunity to raise this matter at second reading with the Government. The experience with PCBs is one that has led to a predictable Balkanization of standards. We urge the Government to ensure that the experience with PCBs does not repeat itself with other toxic substances which are included in the schedule the Parliamentary Secretary recited for us earlier in his presentation.

Mr. Waddell: Mr. Speaker, I want to comment on some of the remarks made by the Hon. Member for Davenport.

It is always a pleasure to listen to the Hon. Member for Davenport speak in this House about the environment. The Hon. Member comes by this honestly. As a matter of fact, people are just starting to get into some of the things that he has said about the environment. He was ahead of his time. I want to say that to him, and I wish he were the environment critic for the Liberal Party. I say to him not to worry. He will resurface because he has the knowledge and vision about the environment, together of course with my own colleague, the Hon. Member for Skeena who also has the environment in his bones. There are some comments I did not understand. If the Parliamentary Secretary wants to talk about acid rain back to 1979, that is fine.

What the Hon. Member for Davenport underlined about this Bill is very important. This is a Bill to amend the Environmental Protection Act which was a law enacted last year. I had the pleasure—sometimes it wasn't too pleasurable; it was a lot of work—to sit for a couple of weeks on the legislative committee that considered the Bill. The committee went through the Bill clause by clause. The Hon. Member for Davenport said where we failed in that Bill was to establish enforceable national standards. The Government originally had that as a concept. The former Minister of the Environment, Mr. McMillan, had that in the Bill. Then he ran into the opposition of the provincial environmental Ministers, and he withdrew this national thrust from the Bill. The committee members asked the Minister what would happen if there were a spill of PCBs or another disaster. Subsequently we have seen a spill of PCBs on the Trans-Canada Highway, a fire in St. Basile le Grand, oil spills on the coast, and other things. The environment became a national crisis, and Canadian people by any standard consider it the number one issue.

The Hon. Member for Davenport pointed out quite rightly that this Bill lacks enforceable national standards. What the Government should be doing is bringing in amendments to put these standards in the Bill.

Finally is the concept of the public being able to sue polluters of the environment; not just the Ministry of the Environment, which may do nothing but do as California does and give the public rights to take polluters to court. Where there is a polluting chemical company such as in Port Moody, the local residents would have authority under a federal Act with a national enforceable standard to go to court against that company. Then we would see some real action on the environment. I would like the Hon. Member to comment on these matters, but he need not comment on the nice things I said about him.

Mr. Caccia: Mr. Speaker, it is impossible to disagree at this stage. Therefore, I am glad that the Hon. Member sees the necessity as we do of having national enforceable standards. He has developed the issue extremely well and I am very grateful to him.

Anyone who believes in strong federalism and does not think the answer to Canada's problem is the devolution of power to the provinces feels very strongly that beginning with the environment, followed by spending powers, by aboriginal rights, and a number of other crucial issues is one, we must stay on the road of strong federal powers.

The Canadian Environmental Protection Act is a classic example of where a Minister of the Crown, having first introduced a Bill which did have the measure required to establish national enforceable standards in the environment, had then to turn 180 degrees and abandon that track. We regret it very much. If everyone in this House feels as strongly about the environment as does the Hon. Member who just spoke, I am sure that we can amend the Bill at a future opportunity to have enforceable national standards in the federal legislation.

Mr. Gustafson: Mr. Speaker, I have one short comment and a question for the Hon. Member for Davenport. In the case of the environment as it relates to the Rafferty-Alameda Dam—and this affects my riding right now—there is a great deal of concern that those from outside the area who do not know the valley and do not know it is barren are rendering opinions and decisions without knowing the facts that concern the environment on the local scene. This poses a problem for the environment. I think it is most important that there is a balance and that when people make comments, whether as Opposition critics or as Members of our own Party, they ought to realize what they are talking about and deal, in the case of the Rafferty-Alameda dam, with the situation on its own merits for the benefit of the environment world-wide.

Mr. Caccia: Mr. Speaker, I would only refer the Hon. Member who is genuinely interested in the Rafferty–Alameda issue to the former Minister of the Environment who made a profound mistake in the interpretation of his mandate. He had to be reminded of his duties by a non–governmental organization, the Canadian Wildlife Federation, which took the matter to court in order to straighten him out on this very important matter.

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

At 1.02 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

ELLIOT LAKE

NINETEENTH URANIUM FESTIVAL

Mr. Maurice Foster (Algoma): Mr. Speaker, I would like to draw to the attention of Members of the House that the town of Elliot Lake is celebrating its nineteenth annual Uranium Festival from June 23 to July 2, 1989. Being the largest summer festival in northern Ontario, those two weeks promise to be a celebration of the community pride and spirit that all Elliot Lakers feel.

Last year, more than 20,000 participants took part in such diverse activities as mucking and drilling competitions, parades, tennis and soccer tournaments, antique car displays, and a final fireworks display, to name only a few. This year many more people and events are expected.

The theme of the 1989 Uranium Festival "A Salute to Mining" reflects the great importance that the mining industry plays in the economic life of towns such as Elliot Lake and many other communities across Canada.

Anyone who has ever attended this festival will tell you the excitement that is generated is contagious and that makes it easy to see why Elliot Lake is known world–wide as "the jewel in the wilderness".

* * *

HOUSING

CMHC FUNDING FOR PRINCE CHARLES SENIORS PROJECT

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I am again raising a subject that members of the other Parties are running away from, namely, the activities of the Toronto political fund– raiser Patricia Starr.

Yesterday, I asked the Minister of State for Housing (Mr. Redway) to account for the misuse of CMHC guaranteed funds from the Prince Charles seniors' housing project. I asked specifically whether proper CMHC procedures had been followed in filing and authorizing consultant contracts and payments.

In his answer the Minister finally conceded that CMHC guaranteed funds were spent "inappropriately". According to a lawyer's report, $2,000 went to the PC Canada Fund.

In view of this, will the Minister now table all financial documents for the Prince Charles project, including authorized expenditures, contracts, claims, vouchers, and invoices that were used to authorize the release of funds to this project, or to any other CMHC guaranteed project involving Patricia Starr or the Toronto section of the National Council of Jewish Women?

I would also like the Minister to inform the House on the progress of recovering the misspent funds, and advise us on the penalties to the people involved for misappropriation.

* * *

[*Translation*]

AGRICULTURE

NATIONAL FARM SAFETY WEEK

Mr. Guy St–Julien (Abitibi): Mr. Speaker, "Protect children on the farm" is the theme for National Farm Safety Week, July 25 to 31, organized by the Canada Safety Council with Agriculture Canada and in cooperation with provincial safety organizations and the Farm Safety Association.

Growing up on a farm can be a wonderful experience for children, but by its nature, a farm is a dangerous place and every year, many children lose their life or are injured in accidents there.

Mr. Speaker, children are our future. Let us protect them! This year, farmers will be made aware of their responsibility for their children's safety, which involves identifying and eliminating accident risks, setting a good example and informing young people about the safety rules to observe in buildings and around livestock and machines, both indoors and outdoors.

* * *

[*English*]

CANADA DAY

TWINNING OF WHITBY, ONTARIO AND LONGUEUIL, QUEBEC

Mr. René Soetens (Ontario): Mr. Speaker, as we approach Canada Day, a time for all citizens to celebrate their citizenship, we should all use the opportunity to take stock of our many blessings as a nation where peace and prosperity abound.

Twenty-two years ago, a company of venturers from the Boy Scout movement of Whitby, Ontario, reversed the route taken by Jacques Cartier and arrived in Longueuil, Quebec. This trip culminated in some dialogue, and the decision to have a twinning program between the two communities.

The citizens of each municipality, with the active support of their local municipal councils, have for 21 years now sent delegations to visit each other to learn and promote a better understanding of their cultures and communities. For three days each year, 50 residents of each community are hosted in an excellent setting of friendship and goodwill.

The reason I bring this to your attention, Mr. Speaker, is so that you and other Members of the House can take this idea back to your own ridings and encourage your citizens to undertake a similar program. Would it not be great if we could influence more Canadian municipalities to twin with other municipalities and follow the lead of Whitby, Ontario, and Longueuil, Quebec.

Congratulations to both municipalities for doing their part in making Canada such a great place to live.

[*Translation*]

EXTERNAL AFFAIRS

SITUATION OF THE TURKISH MOSLEM IN BULGARIA

Mr. Maurice Tremblay (Lotbinière): Mr. Speaker, in the last few days, we have received many reports that thousands of Bulgarian citizens belonging to the Turkish Moslem minority were issued passports and suddenly expelled to neighboring countries. Press reports indicate that the number might be over 30,000. This sudden exodus is of great concern to Canadians. Since 1984, they have been very concerned by the Bulgarian authorities' assimilation campaign which has resulted in name changes and restrictions on the use of the Turkish language and expressions of Turkish culture.

On Friday, June 16, at the Paris conference, Canada's Ambassador, William Bauer, strongly criticized the treatment given to the Turkish Moslem minority in Bulgaria and in particular, the recent expulsions. He drew attention to the human suffering caused by the Bulgarian authorities.

I know that the Secretary of State for External Affairs (Mr. Clark) remains concerned by a situation that raises tensions in the Balkans and detracts from cooperation and security in Europe. I am pleased to point out that on Friday, June 16, he issued a communiqué expressing Canada's concern about the recent expulsions and the Bulgarian chargé d'affaires was called in so that our disapproval of his government's actions could be conveyed to him.

* * *

[*English*]

THE ECONOMY

ATLANTIC CANADA—VIA RAIL SERVICE

Mr. George S. Rideout (Moncton): Mr. Speaker, a proposed business plan of VIA Rail recently obtained by *The Globe and Mail* has confirmed some of the worst fears held by Atlantic Canadians. The proposed cut-backs have guaranteed a minimum of 2,500 employee lay-offs, as well as the complete elimination of all regional train services. This is in light of the election promise to enhance the quality and reliability of VIA services.

I find it disturbing that various cabinet Ministers have praised the new Budget for helping the welfare of the Atlantic provinces. In reality, Atlantic Canada is being ruined by the incredible burden it has to assume in dealing with the current deficit. Major cuts in ERDAs, ACOA, VIA Rail, and the closing of Canadian Forces bases have promised to inflict devastating impacts upon the region.

I call upon the Government to reassess the negative priorities applied to Atlantic Canada. This region, which recently began upon the road of economic recovery, has once again been thrown into a situation that guarantees hard times in the Maritimes. Atlantic Canadians should be allowed to reap the benefits of economic success.

* * *

NATIONAL DEFENCE

CLOSING OF CFB SUMMERSIDE

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, yesterday more than 300 Islanders travelled to Ottawa to make it clear to the Government how they feel about the closing of Canadian Forces Base Summerside. Yet the Government has not made it clear to the people of Prince Edward Island what research was carried out to back up this reckless decision.

What is frightening is that this decision, which will seriously affect the economy of Summerside and the entire province, was made without an impact study. The people of Prince Edward Island deserve better.

I demand that the Government take responsibility for its actions against Summerside and area and keep the base open.

In all fairness, the federal Government cannot arbitrarily decide to shut down one-third of a community's workforce. Islanders have proved that they are determined and ready to keep CFB Summerside open, and my colleagues and I are determined to support them.

* * *

THE ECONOMY

ATLANTIC CANADA—DEVELOPMENT FUNDS

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, I rise today to answer a question posed by the Premier of Nova Scotia last night after a starry-eyed meeting with the Prime Minister (Mr. Mulroney) regarding cuts in development funds that have devastated Atlantic Canada when he stated: "Cuts? What cuts?" I am here today to edify the Premier of Nova Scotia and answer those questions for him.

First, I would like to remind the Premier of Nova Scotia that in Nova Scotia alone there are six subagreements that have not been renewed; $721 million in cuts in Atlantic Canada alone. That, Mr. Premier, is a cut. Second, he should check the books and *Hansard* and he will find out that the ACOA program in Atlantic Canada has been extended from five years to seven years. It does not take a mathematical genius to know that that is a 25 per cent cut, Mr. Premier, in the money that is available in Atlantic Canada.

What about VIA Rail and the cuts that have been inflicted by this Government in Atlantic Canada? There is also the closure of the route from Truro to Sydney. In the Halifax area alone the reduction of service could cost 321 jobs. That, Mr. Premier, is a cut. The At and East program, as stripped down in the last federal Budget, could see 297 individuals who work at the grain terminal in Halifax lose their jobs. Mr. Premier, that is a cut.

Does the Premier not know a cut when he sees a cut? Perhaps before he gets up the next time and sticks his proverbial foot in his proverbial mouth he can give me a call at (613) 995-9378 and I will straighten him out.

• (1410)

Mr. Speaker: Perhaps I should give the Premier equal time. However, he is not with us.

The Hon. Member for Nanaimo—Cowichan.

* * *

FISHERIES

B.C. SALMON AND HERRING INDUSTRY

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, thousands of jobs are at risk.

Last week, representatives from the B.C. fishing industry came to Ottawa to plead with the Government not to cut domestic processing requirements for B.C. salmon and herring. They spoke not only for their own communities and their own families but also for the thousands of workers in Atlantic Canada who are being lined up for the chopping-block by the Government to satisfy the U.S. appetite for unfettered domination over Canadian resources.

On Thursday, the Minister went so far as to call B.C. fish processing jobs "archaic". There is nothing archaic about maximizing the value of our fishery for the benefit of Canadians. There is nothing archaic about ensuring that Canadians get jobs from our resources. There is nothing archaic in the desire of the men and women of the B.C. fish processing industry to want a pay cheque instead of another rain check on the Minister's promise to protect the B.C. and Atlantic fishing industry.

The Minister has become sinister. B.C. fish jobs are not archaic. I would urge the Minister to retract these words—retract or resign.

* * *

CANADA DAY

DESIGNER OF NATIONAL POSTER

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, in a few days, Canadians will join together to celebrate Canada Day. The people of Scarborough always take pride in celebrating Canada Day. However, this year they will take even greater pride in honouring Samuel Yip, an 11-year old Scarborough resident who designed the national Canada Day poster.

Samuel's design, called: "Working in Harmony to Build a Peaceful and Loving Canada" was selected from thousands of submissions.

On behalf of all Members of the House and the people of Scarborough, I congratulate Samuel Yip. His theme captures the true meaning and the bright future of this country. Together we build Canada—*tous ensemble Canada.*

* * *

THE ECONOMY

ATLANTIC CANADA—DEVELOPMENT OF REGION

Mr. Rod Murphy (Churchill): Mr. Speaker, once again, Atlantic Canadians have been insulted by a Government which makes a habit of saying one thing and doing another.

The Prime Minister (Mr. Mulroney) was all sun and roses in Halifax yesterday. He told Atlantic Canadians there is no threat of recession in their region. He told them not to worry about the Summerside base being closed and the 1,300 jobs lost to the Island because that would "obscure the larger accomplishments".

Just what are those larger accomplishments?

Fishing communities throughout the region are facing collapse. In Newfoundland and Nova Scotia up to 9,000 jobs could be lost over the next few months, thanks to the do-nothing policies of the Prime Minister and his Conservative Government.

The only things that this Conservative Government has accomplished for Atlantic Canadians are higher unemployment, lower unemployment benefits and greater poverty. It is a shame.

* * *

FAMILY VIOLENCE

NATIONAL FORUM ON PREVENTION

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, from June 18 to June 21 the federal Government will be hosting a national forum on the prevention of family violence.

Family violence is a serious and widespread problem affecting the lives of countless Canadians. An estimated one in ten women and tens of thousands of children and elderly people are the victims of violence. The scars, both physical and emotional, can last a lifetime. The forum is being held as part of the federal Government's initiative to deal with this serious problem.

"Working Together" is the title given to the forum. It brings together about 400 individuals from all across Canada who are involved in the prevention of family violence. They represent health and social service agencies, voluntary and non-government organizations, provincial and territorial Governments, women's groups and community groups, native organizations, the business community and the legal community.

It is only by working together toward a national strategy to reduce family violence that we can expect to find long-term solutions.

I would like to wish the participants a busy and productive three days.

[*Translation*]

MUNICIPAL AFFAIRS

THE PASSING OF THE MAYOR OF BEAUPRÉ

Mr. Charles DeBlois (Montmorency—Orléans): Mr. Speaker, the town of Beaupré was in mourning during the weekend, following the death of Mr. Antoine Bélanger, for nearly 20 years the mayor of this sizable municipality in the riding of Montmorency—Orléans.

As mayor, Mr. Bélanger was very much involved in the development of Mont Sainte-Anne, now an internationally known ski centre.

At the federal level, Mr. Bélanger sat in the House of Commons from 1962 to 1969 as the Social Credit Member for Charlevoix, which then included the town of Beaupré.

With all the people of Beaupré and the former riding of Charlevoix, I wish to pay tribute to this man of action and extend my sincere condolences to his family and friends.

* * *

[*English*]

IRAN

REMEMBRANCE OF TEHRAN MASSACRE

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, on June 20, 1981, half a million people were gathered together in the city of Tehran to take part in a peaceful demonstration in opposition to the suppression of democratic rights in Iran.

In response to this protest, the Iranian regime led by the Ayatollah Khomeini, ordered guards to open fire on the marchers. Hundreds were killed or wounded. Those who escaped the gunfire were arrested and transported to the Evin Prison where the firing squads continued into 1988 with their mass executions. To date, the number of those executed without just trial is reported to have reached over 90,000.

On the eighth anniversary of this bloody massacre I urge the Government of Canada to communicate to the new regime of Iran its horror at the flagrant human rights violations that have now been going on steadily for eight years, and its intention that if this trend continues Canada will seriously reconsider its trade and diplomatic relations with that country.

TAXATION

"TAX FREEDOM DAY"

Mr. Garth Turner (Halton—Peel): Mr. Speaker, I noted with interest in the newspapers today that July 3 is tax freedom day, the day on which Canadians finally start working for themselves.

Tax freedom day has been moving back further each year as taxes increase. The middle-class of Canada feels quite burdened by the taxes that they have to pay now. At the moment the middle-class is tired of paying an excessive amount of tax for debt servicing.

Thank goodness that Canadians can look forward to an equal, equitable and fair tax system which is contemplated for the future.

Thank goodness there is one rate, fair for all with no exceptions.

ORAL QUESTION PERIOD

[*Translation*]

FINANCE

THE NEW SALES TAX—MINISTER'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Finance.

For two years, the Minister has been telling us, and I quote: "Sales tax reform will eliminate the hidden taxes paid by consumers when they purchase goods." And another quote: "The tax will not be unlike the retail sales taxes operated by the provinces." And another quote: "The amount of tax will be readily apparent, as it should be. Consumers will be aware of how much tax they are paying." End of quote, Mr. Speaker.

That is what we have been hearing for two years, and it just isn't true! The Minister was forced to admit today that the new national sales tax will not appear on the bills for the billions and billions of dollars worth of items to which the new federal sales tax will apply.

Why did the Minister of Finance mislead Canadians on this issue for two whole years?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the result of sales tax reform is that it will eliminate the very important hidden nature of the manufacturers' sales tax which is buried deeply into the price of any product that is taxable today. Under the new sales tax system the tax will be at the retail level. Thus it will be much easier for an individual to tell how much tax will be paid.

I want to refer the Right Hon. Leader of the Opposition to page 25 of the booklet entitled *The Goods and Services Tax*. It states:

> —the government will want the advice of consumer groups on:
>
> how best to ensure that consumers know the amount of tax they are paying on their purchases while, at the same time, maintaining the simplicity of the tax system;

We want to ensure that consumers are made fully aware of the impact of the new tax system on them. At that time we will be having consultations with the Consumers Association, the Retail Council and other interested organizations to ensure that the visibility of the tax is as transparent as possible.

• (1420)

POSITION OF MINISTER

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Consumers Association of Canada said today that the Minister's response is not good enough, that consumers have a right to know the amount of tax they are paying.

I did not think the credibility of the Minister of Finance could sink any lower. He says that he will replace one hidden tax with another hidden tax. For two years he swore in the House and across the country that the new federal sales tax would not be a hidden tax. Now he claims to journalists, apparently, that he has no constitutional power to force retailers to add the sales tax to the sales slip. That is absolute nonsense.

If he had such a legal opinion, why did he not say so two years ago, or is he claiming that officials hid that legal opinion from him for two years? If he did know, did he just choose not to say so during the election campaign?

Is it not the real truth that the Minister is now desperately trying to find a way to justify a hidden tax?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Leader of the Opposition is correct. The Government of Canada does not have the constitutional right to impose its will on retailers as to whether or not it will be tax included pricing or tax excluded pricing.

We have said very clearly that this tax will be much clearer to people than the tax on manufactured products which is buried right at the manufactured level, not at the wholesale or retail level. It is right down at the manufactured level. This tax will be quite clear at the retail level.

I should point out to the Leader of the Opposition that if we had a national sales tax, then the provinces would have been part of that and we would have made our views very clear at that time.

GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the quotations that I took from the Minister's document on the goods and services tax, dated April 27, 1989, was published and deposited in the House of Commons after the Minister told us that the provinces no longer agreed. The citations I gave about no hidden tax are after he knew that the provinces would not go along.

The simple fact is that the Minister of Finance and the Prime Minister chose the ultimately cynical course of gouging Canadians for billions and billions of dollars and not having the guts to tell them how much they are being gouged. This is the Minister who promised that he would not have a hidden tax. He now has taken the absurd position before the House that Canadians could easily figure it out because it would be on the retail level.

Since the Minister figures it is so easy, let me put to him a situation in which the average Canadian consumer will find himself. On a retail purchase of $112, for example—

Some Hon. Members: Order Paper.

Mr. Turner (Vancouver Quadra): —of which $37 is not taxable, you have a provincial tax of 8 per cent and a national tax of 9 per cent. What will the national tax be on that purchase? That is the decision the average Canadian consumer will have to make on the spot. Maybe the Minister of Finance can tell us how smart he is?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let us be clear. The Consumers Association, and consumers as a whole, may wish to state their views to retailers and to people who are selling goods at the retail point of sale to make it quite clear that it is important for that tax to be quite visible and quite clear in terms of dollars and cents.

The point I stress with the Leader of the Opposition is that we cannot force this. We have said very clearly in this document that was released on April 27 that the Government will want the advice of consumer groups on how best to ensure that consumers know the amount of tax they are paying on their purchases. That is very clear. We will be working with the Consumers Association, with the Retail Council and others to assure that that objective is followed through.

* * *

CANADA–U.S. FREE TRADE AGREEMENT

CLOSURE OF BENDIX CORP.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, my question is directed to the Minister for International Trade. Since the signing of the Free Trade Agreement we have seen a consistent procession of Canadian industries moving their jobs into the United States sun belt or into the Maquiladora zone of Mexico. The latest example is the 400 high skilled jobs of Bendix Corporation in Collingwood moving to Alabama and into the Maquiladora region.

Considering that his own officials consistently have refused to take any actions to plug those loopholes by which Canadian industry can evade the content requirements and can seek out areas of cheap labour, what will the Government do to stop this leakage of Canadian employment into those areas, denying Canadians the right to work and denying Canadian industry the right to grow? Does the Government have any plan to deal with this clearly serious problem for this economy?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the hon. gentleman has been trade critic long enough to know that what he is presenting to the House now is completely spurious and false.

This loss of jobs at Bendix in Collingwood, Ontario is most regrettable but it has nothing to do with the Free Trade Agreement.

Some Hon. Members: Oh, oh!

Mr. Crosbie: It has nothing to do with the Free Trade Agreement. The business produces auto parts and it has been under the Auto Pact for 24 years, since the Auto Pact came into being in Canada. Under the Auto Pact there is free trade in original equipment, automotive parts, between Canada and the United States. The company would have been free to make this decision at any time in the last 24 years or anytime in the next 24 years, but it is not permitted or given any grounds for making the decision, nor is it assisted in coming to such a decision by the U.S–Canada Free Trade Agreement. It is a matter of the Auto Pact. The hon. gentleman knows that. He is dishonest in attempting to suggest that this is a result of the U.S–Canada Free Trade Agreement.

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, I have been trade critic long enough to know that any answer from that Minister is totally spurious. It is unfortunate that a Trade Minister of the Government is not aware that under the Free Trade Agreement the content requirements under the Auto Pact were changed, requiring North American content, not Canadian content. That is what makes a difference.

GOVERNMENT POSITION

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, the Government of Canada itself refuses to undertake any monitoring of this major leakage of Canadian jobs. The Canadian Government, in discussions we had today with U.S. customs officials, has refused or has been negligent in requesting U.S. customs to take any monitoring or inspection of those matters. When will the Government take serious action to deal with the serious problems resulting in a serious loss of jobs for this country?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, we know what the theory of the Official Opposition is, because it was given to us by their finance critic: "Every sparrow that falls will be blamed on the U.S.–Canada Free Trade Agreement". He said: "The trade deal will be blamed even if it may or may not be to blame". There is the photograph of the person. He is sitting just down the aisle from the you, Mr. Speaker. The Free Trade Agreement had nothing to do with this situation, but we are monitoring what is happening.

For every incident that the hon. gentleman can cite, I have two or three which show that because of the Free Trade Agreement more plants and manufacturing companies are expanding in Canada. For example, Dupont Canada purchased a site in Trenton to manufacture food containers for frozen meals, and the reason given was the Free Trade Agreement. The same is true in Windsor, Scarborough, Mississauga, Smiths Falls, Montreal—

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

FINANCE

THE NEW SALES TAX—ELECTORAL PROMISES—MINISTER'S POSITION

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is directed to the Minister of Finance. Here is a Minister who cannot keep the promises he made regarding his new sales tax.

First of all, he promised the tax would be revenue neutral, which it will not be. And second, according to the Minister the tax would eliminate existing hidden taxes, which is not going to happen. Third, we are now witnessing the violation of his third promise: the new tax itself will be hidden.

Could the Minister explain why he has once again broken a promise he made to Canadians?

• (1430)

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, no promises have been broken here. I just want to remind the Hon. Member that before she gets too far out on a limb she should reflect back on the tax probe of her Party which said: "Our analysis has led us to conclude that the current federal sales tax is so unfair, unaccountable and administratively complex that it should be abolished".

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): Perhaps the Hon. Member has some way of bringing in a sales tax that can achieve that. Obviously her Party says that it should be abolished.

I have responded to the Leader of the Opposition on the same sort of question, but let me say to her that the new tax will be at the same rate at the retail level on all taxable items across the board. Therefore it will be much, much easier for consumers to know how much tax they will be paying, even if the tax is included in the price.

We are not saying today that it will be included or excluded. What I said to the Leader of the Opposition was that we do not have the power to enforce that, but we will be working with the Consumers' Association of Canada and other organizations to find the best way of achieving that very important element of visibility for the consumer.

MINISTER'S POSITION

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, the Minister severely criticized the existing sales tax system. I would remind him that the existing hidden sales and excise tax costs every man, woman, and child in Canada $268 a year at this time. The Minister said in 1987:

> Many Canadians are unaware of this tax because it is normally applied when a produce is manufactured and is hidden in the price of goods— By the time it reaches the consumer, a dollar of tax paid by a manufacturer can raise the price to the consumer by a lot more than a dollar, and the purchaser does not know much.

I would like to ask the Minister to tell the House how the new sales tax is going to differ from the old sales tax.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would be delighted to do just that because the Hon. Member is absolutely right.

I have roundly criticized the existing tax as has her Party, as has the Liberal Party. It is a bad tax. The reason why it is a bad tax is that the existing tax is buried deep in the production of the particular product. When it reaches the retail level, the tax may be 3 per cent, it may be 5 per cent, it may be 10 per cent, or it may be 13.5 per cent. Surely that is an unfair tax.

What will happen with this tax is that it will be 9 per cent on all taxable goods at the retail level. That makes it much fairer. That makes it much clearer to the consumer. That is one of the key reasons why we are supportive of this tax. It is one of the key reasons why I believe her Party should also be supportive of this tax.

Ms. McLaughlin: Canadians cannot be that easily fooled. They know that a hidden tax is a tax that can be raised without them seeing where it is going to.

IMPACT OF NEW SALES TAX

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, a new 9 per cent tax is supposed to mean a break for consumers on the price of manufactured goods such as cars, household furniture, and appliances which are currently taxed at 13.5 per cent after the recent Budget.

If this tax remains hidden, how can Canadians be sure that they are getting this break that he says we are going to get in the new sales tax?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we will be making that quite clear when the technical paper is released.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): Let me remind the Hon. Member of another reason why her Party should be fully in support of this tax. The New Democratic Party says that loopholes for the rich are bad. One clear element of this sales tax is that there are no loopholes.

Any time persons purchases a product that is taxable, they pay that tax. The rich cannot tax plan themselves out of this. They cannot hire lawyers or accountants or anybody like that to tax plan them out of paying that tax. It is payable by everyone. Furthermore, there is an offset to low income Canadians which ensures that this tax is a fair tax for low income Canadians.

* * *

NATIONAL DEFENCE

CLOSURE OF CFB SUMMERSIDE—IMPACT ON SEARCH AND RESCUE

Mr. Joe McGuire (Egmont): Mr. Speaker, in the House yesterday the Minister of National Defence stated in his response to my question on the search and rescue component now at CFB Summerside that search and rescue was identified on budget day and that that was still the policy and direction they were prepared to take.

Will the Minister confirm, more specifically, that search and rescue will not only remain in Prince Edward Island as stated on budget day, but that it will remain in Summerside since it will cost many millions of dollars to have it placed elsewhere?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, I am sure the Hon. Member is aware that the necessity to close CFB Summerside was to bring about a savings to this Government because of the lack of operational need of that base. I want to repeat what I have said before, that the search and rescue squadron will continue to operate on Prince Edward Island as a detachment of a base in the Maritimes.

MINISTER'S POSITION

Mr. Joe McGuire (Egmont): Mr. Speaker, if I recall correctly, what the budget statement said was that it would be located in Prince Edward Island, that it would be located in Charlottetown.

The Minister said that he was saving money by moving the search and rescue to Charlottetown and that it would cost many millions. It seems to be a contradiction in terms, that it is going to remain in P.E.I., in Charlottetown, yet it is not going to even be on the Island. Will the Minister please explain?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, on budget night the backgrounders that were put out clearly stated that the search and rescue squadron would continue to operate on Prince Edward Island as a detachment of a base in the Maritimes. That gives the Department several options to consider. When those options have been considered, there will be a decision made.

However, the Hon. Member knows that to maintain partial use of CFB Summerside certainly would not affect the savings that are necessary so that we can continue to use those dollars to buy equipment for the men and women who serve Canada.

* * *

FISHERIES

IMPACT OF FREE TRADE AGREEMENT ON ATLANTIC CANADA

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, the Hon. Member for Egmont of course is dead right when he says that the Government ought to be increasing not decreasing surveillance, particularly over fishing.

I have a question for my good friend, the Minister of Fisheries, about the overfishing which is devastating the Atlantic economy. Yesterday we learned that Fishery Products International, FPI, suffered a $7 million loss in the first quarter, that it is buying fish from South America and Alaska, and then processing it in the United States.

Is FPI's policy of purchasing fish in other countries and processing it in the United States just the latest example of what free trade is going to mean to Atlantic Canada—creating jobs in the United States instead of here in Canada?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, the Hon. Member has made certain allegations. I am unaware of the factual basis on which those allegations are made. I would certainly want to look into that question before I would accept any assertion made by the Hon. Member opposite on such a question.

I also note that the president of Fishery Products International only yesterday was quoted as saying that he was very optimistic about the outlook for Fishery Products International in terms of returning to a profitable position by, I think, the third quarter of this year.

Mr. Simmons: What allegations? That there is overfishing? Does the Minister not know that there is overfishing? Does he not know that FPI has lost a bundle this year and that it is buying fish abroad?

CRISIS IN ATLANTIC INDUSTRY

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I have a supplementary for the same Minister. The crisis in the Atlantic Fishery is having a devastating vicious chain reaction. Fishing incomes are down or wiped out. Shipyards are laying off people. The construction industry is in a tailspin. I could go on.

Is it necessary for the people of Atlantic Canada to beg this Government for help? Where is the plan the Minister promised this House three full weeks ago, the plan to help those people caught in the middle of the Government's mismanagement and kowtowing to the foreigners.

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I believe I made the observation last week, but I will make it again today. The Hon. Member should apologize to the people of his area and of Atlantic Canada for spreading totally unjustified alarm and fear. The inshore fishery of his own region is only beginning to get under way for the 1989 fishing year.

• (1440)

Under the last four successive years of fisheries management by the Government, employment in the Atlantic fishery and income have continued to increase to unprecedented levels.

* * *

SPORTS

PRESENCE OF NICK PRICE AT CANADIAN OPEN GOLF TOURNAMENT

Mr. John Brewin (Victoria): Mr. Speaker, my question is for the Minister of State for Fitness and Amateur Sport.

The Canadian Open Golf Tournament takes place this weekend. The Minister will be aware that South African golfer Nick Price, travelling on a British passport of convenience, is attending the tournament. The Minister will also be aware that this is in complete contradiction of the policy the Canadian Government announced last year.

Will the Government enforce its own policy and prohibit Nick Price from entering Canada to participate in the tournament? Will it call on the Royal Canadian Golf Association to withdraw its invitation to Mr. Price?

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): Mr. Speaker, Canada's policy in the area of sport contact with South Africa is derived from the 1977 Gleneagles Agreement. As the Member has mentioned, there has been a review of that policy as applied in Canada less than a year ago and a tightening up of the policy. Since then there has been a further review of how the policy now applies in Canada to consider further ways in which we can tighten it up.

Mr. Price is coming into Canada under a passport from the U.K. I am sorry to say that in those circumstances Canada is not in a position in which we can question the legal documents that have been put out by the Government of the U.K.

However, I will add that I will intervene personally with the Royal Canadian Golf Association and invite it to decline from inviting Mr. Price to play in its golf tournament.

Mr. Brewin: Mr. Speaker, I hope the Government is not too late. It has had notice of this situation for some time.

UNITED NATIONS BLACK LIST—GOVERNMENT POSITION

Mr. John Brewin (Victoria): Mr. Speaker, is the Minister also aware that seven golfers, including yesterday's U.S. Open Champion Curtis Strange, Lee Trevino, Ben Crenshaw, Ken Green, and Nick Faldo, who have thumbed their noses at the UN boycott of sports contacts with South Africa and who, as a result, are on the UN register for sports contact with South Africa, intend to participate in the Open?

Will the Government enforce the UN black list and will it act to preserve the threat against the Commonwealth Games in Auckland and Victoria and in order to preserve Canada's reputation on the issue of apartheid?

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): Mr. Speaker, as you will know, this is a very important issue for the Government of Canada and that is why there was a tightening up of the policy less than a year ago. One of the things we did at that time was to deny visa to those athletes, whether professional or amateur, attempting to enter Canada for sporting events. Even though there was that tightening up, we are looking at ways now in which we can do more things.

The difficulty we have in the very specific situation of a professional event is that they come under legal documents put forward by other countries. That obviously sets a limit on our level of action, but we will be speaking with those sport associations which have this type of activity to encourage them not to invite these athletes and to maintain Canada's position of having one of the strongest policies against sporting contacts with South Africa.

* * *

IMMIGRATION

ASSISTANCE TO CHINESE NATIONALS IN CANADA

Hon. David MacDonald (Rosedale): Mr. Speaker, my question is for the Minister of Employment and Immigration and concerns the tragic events the past few weeks in China.

As Members will know, some thousands of Chinese citizens, many of them students, have found themselves caught in a most difficult situation here in Canada. They are quite concerned about what their future situation will be with respect to staying on in Canada.

Does the Minister intend to take further steps to assist these people? If so, can she indicate to the House what those measures might be?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, as I have said in the House before, we are constantly looking at our policy with regard to Chinese Nationals in Canada. There are two important things that I would like to clarify today. One of them is a new step which we are prepared to take.

First, immigration officials in our many offices across Canada have been actively approaching community organizations to ensure that the public is aware of the measures they are taking. Public information sessions have been held at various locations, and I would encourage people with questions to get in touch with them.

Second, one of our first steps was to extend visas by 60 days for those who are in Canada. I would point out that the visas of many of the people who are in Canada right now do not expire for some months. However, I would encourage those who feel they need an early decision to approach our offices because we are prepared to give sympathetic consideration at this time to extending those visas for a year.

* * *

[*Translation*]

UNEMPLOYMENT

UNEMPLOYMENT RATE IN CERTAIN MONTREAL NEIGHBOURHOODS—GOVERNMENT POSITION

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, my question is directed to the Prime Minister. Today, Montreal's commission for economic development published a report indicating that the unemployment rate in 23 neighbourhoods in Montreal is over 15 per cent, while in 6 it is over 20 per cent. For instance, in Park Extension, the rate is 21 per cent, which is more than Sept-Îles with the same population, and in Plateau Mont Royal, it is 18 per cent, which is more than Abitibi with the same population.

Mr. Speaker, considering these circumstances, when will this Government be ready to implement a special economic program for Montreal, in order to create jobs and reduce poverty? When?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, of course, since September 1984, 315,000 jobs have been created in Québec, and many of these in Montreal. Since we came to power, the unemployment rate has dropped from 13 per cent to 9.8 per cent, a decline of 3.2 per cent. The other day, the Premier of Québec, Mr. Bourassa, mentioned that the economy of Montreal was in better shape now that it had been in decades, and I think he is right. There is investment. Things are happening in Montreal. The boom is strong and sustained, largely thanks to investment brought about by the unusual degree of co-operation between the federal Government and the Government of Québec, which has generated a considerable number of jobs.

[*English*]

GOVERNMENT RESPONSE

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I suggest the Prime Minister read the report that was published in Montreal this morning.

The report says that the situation is worse now than it was in the recession of 1981 with over 400,000 unemployed in 23 Montreal districts. This was confirmed by the January report *Deux Québec dans un* and the recent report of the Canadian Council on Social Development.

On June 7 the Minister of Labour, who is responsible for the City of Montreal, said that the Government had no special programs in mind for the City of Montreal. In view of the report tabled today in Montreal, would the Government now reconsider that approach and take steps with the City of Montreal and the Government of Quebec to reverse this deplorable situation in that city?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend mentions the year 1981 involving his Government. During the term of the last Liberal Government, in almost five years, 55 months, there were 40,000 jobs created in Quebec. In four years there were 315,000 jobs created in the Province of Quebec under the Progressive Conservative Government.

Mr. Allmand: Read the report.

Mr. Mulroney: That is a big difference, 315,000.

My hon. friend points out that there are areas of economic difficulty in some areas of Montreal. I agree with him. We are trying to work very closely with the Province of Quebec, the City of Montreal, and the private sector to try to alleviate difficulties in those various sectors. However, generally speaking there has been a remarkable improvement in the economy of the Province of Quebec and in the growth of the City of Montreal. My hon. friend is a Montrealer; he is fully acquainted with that.

Under this Government jobs have been created in the Province of Quebec at a rate eight times faster than jobs were created under the previous Liberal Government. My hon. friend should be celebrating that tremendous contribution to Quebec's economic well-being rather than being a doomster and a gloomster like he has been all his life.

* * *

• (1450)

[*Translation*]

HOUSING

ABOLITION OF RRAP FOR RENTAL HOUSING

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is for the Minister of State for Housing. Yesterday in Montreal, the provincial minister, the mayors of Montreal and Québec City, the president of the provincial municipalities' union and others denounced the abolition of RRAP for rental housing as an act of blatant discrimination against Québec. My question is: Was the Minister aware that by cutting this program, he was hitting the poorest in the Province of Québec hardest, because they received 50 per cent of the funds under this program? If the answer is yes, why did he single them out, and if the answer is no, is he prepared to revive the RRAP for rental housing immediately and without delay?

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, I sympathize with Québec's problem. The RRAP for rental housing was used more in Québec than elsewhere in Canada because 65 per cent of Québecers are tenants. In the rest of Canada, only 38 per cent of the population rent their housing.

Yesterday, I told this House that I hope to form a tripartite federal-provincial-municipal committee which will find a solution to this problem. The question was raised yesterday by the Hon. Member for Chicoutimi. Unfortunately, the Hon. Member was not here at that time.

[*English*]

ABSENCE OF CONSULTATION—GOVERNMENT POSITION

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, by cutting the program, the Government not only cut an essential program; it cut it without consultation with the provincial Governments concerned. The tripartite idea flown here yesterday has not impressed the provincial minister of housing, nor the mayor. The provincial minister said yesterday that he was going to take the Government to court. He said that the Government broke a federal-provincial agreement.

The total absence of consultation is breaking federal-provincial agreements. It is breaking the Government's word. Is that the way the Government intends to pursue the housing crisis in this country?

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, the Hon. Member is aware of the difficulties we have with the fiscal situation in this country. When a program is not funded unfortunately there is no money to carry it out.

I regret that and I know that all members of the Government regret that fact. I am looking forward to working with the Hon. Member and all the Hon. Members in the House from Quebec and across the country to find some solutions to that problem.

* * *

FREE TRADE AGREEMENT

IMPACT ON EMPLOYMENT

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, over 26,000 jobs have been lost by Canadian workers, men and women, to the United States and Mexico since the free trade deal has been instituted.

In answer to the question the Minister was asked about another 400 jobs being lost in Mexico, the Minister attacked the Liberal Party.

Does he have something to offer concretely in the terms that the Prime Minister said, that we would have the best programs of readjustment on the Free Trade Agreement of anywhere in the world? What does he specifically have to offer the 26,000 people who have already lost their jobs? Another 400 jobs are going to Mexico because of your bungling of the Free Trade Agreement?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the hon. gentleman has not come up with a sparrow. He has come with an albatross—

An Hon. Member: You are the albatross.

Mr. Crosbie: —and it is hanging around his neck. There are no such 26,000 jobs. There have been 1.4 million jobs created since the Government came into office. From time to time I am able to give other examples of jobs which have been created as a result of the Canada-U.S. Free Trade Agreement.

There is Alcan Aluminium, a $48 million modernization and expansion in Kitimat. That is in British Columbia. There is Cargill, a $50 million slaughterhouse in High River which will employ 480 by mid-summer 1989. That is a slaughterhouse. There is Novacor Chemicals of Calgary, $600 million in an ethylene plant near Joffre, creating 200 permanent jobs. There are no 26,000 jobs.

MAQUILADORA PROGRAM

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have in my hands a document which comes from the Commissioner of Customs in the United States. It indicates that goods brought into the United States from the Maquiladora section of Mexico will be treated under many circumstances as having U.S. origin.

What is this Government going to do to plug this loophole and to safeguard thousands of jobs right across this country?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, we have had sparrows and we have had albatrosses. Now we have a canard or several canards.

There are clear provisions in the U.S.-Canada Free Trade Agreement. You have to show, in order to get the benefits of the agreement, that the goods originated in the United States or in Canada.

I do not know what obscure little document the hon. gentleman has from the U.S. Customs. However, their documents do not matter to us. It is our documents which matter to us. Our Customs will not allow such goods to come across the border subject to the U.S.-Canada tariff arrangements unless they show the goods originated in the United States, not in the Maquiladora, not in Mexico, and not in anywhere south of the border.

Oral Questions

THE BUDGET

POSTAL SUBSIDY CUT-BACK

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, as part of its promise to the Canadian voters that culture would not be on the free trade table, the Government undertook that postal subsidies would be maintained for at least five years.

In spite of that promise, the *Budget Papers* state that the postal subsidy will be cut by $10 million in 1989–90 and $45 million in each subsequent year. At this pace the program will be totally wiped out before the next election.

My question is for the Minister of Finance. While we know where the first $10 million is going to go that the Government is going to cut, we want to know what will be affected by the next $45 million? Over how many years is it going to take place? Where will the Minister stop, when the total $164 million infrastructure program is completely gone?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member is well aware that this infrastructure program has been in place for a long period of time. It has not had much by way of review over the last many years.

What we are doing as a part of the budget process is reviewing all aspects of this program. The Hon. Member knows that there are publications which should not be getting this subsidy. It is those publications which will be identified, and they will cease to get the subsidy.

The Minister of Communications, working with the Minister responsible for the Post Office, will be coming up with proposals in that regard.

Mrs. Finestone: It is very clear where the $45 million cut is going to stop.

ACCESS TO PROGRAM

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my supplementary question is for the same Minister.

Could the Minister tell us why the Government has chosen not to support cultural magazines, ethnic magazines and not to support third language newspapers, community newspapers and daily newspapers when the Department of Communications study has shown that these subjects, supplementaries, and subsidies are absolutely fundamental to the survival of these particular magazines and newspaper?

It is important to small town Canada and rural Canada. Why is this Government not giving fair access to all Canadians across Canada?

• (1500)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, this normally is not the style of the Hon. Member to distort what we are trying to achieve with a program.

Mrs. Finestone: No. I am telling you the reality.

Mr. Wilson (Etobicoke Centre): What we have said is that it is about time governments reviewed all forms of subsidy. This is one of those which we think it is important we should be reviewing.

Mrs. Finestone: The Italians, the Hungarians, the Greeks—everybody will be happy!

Mr. Wilson (Etobicoke Centre): The Minister of Communications will be coming forward with proposals in this regard but clearly the Hon. Member is falling into the same trap of not wanting to review where moneys are spent. Keep the deficit running up. Keep the debt of the country running up. Forget about the impact that this has on interest rates, the impact of those interest rates on the very people about which she is concerned. This is what we are doing as a government and we feel it is the responsible approach to take.

My colleague will be bringing forward proposals which will demonstrate clearly that we are sensitive to a number of the concerns that she has raised.

* * *

FINANCE

CONSTITUTIONAL POWER TO TAX—LEGAL OPINION QUESTIONED

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have two short questions for the Minister of Finance. Is he aware that the federal Government under our Constitution has the power to tax from all sources? Having that power he has the power fully to administer the tax including the power to describe the amount of the tax on any good affected by the tax. If he has a contrary legal opinion, would he table it in the House of Commons?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Leader of the Opposition is a former Minister of Justice and he knows that that is something that is quite contrary to tradition in this House. Ministers do not table legal opinions that are provided by the Public Service. But the Right Hon. Leader is fully aware—and he has a little smirk on his face, Mr. Speaker—that this is something not within the domain of the federal Government.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I am smiling because the Minister is again hiding the truth from Canadians.

NATIONAL SALES TAX DISCLOSURE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, if the Minister of Finance had this position documented by legal officers of the Crown, why did he not reveal the position two years ago instead of promising Canadians for the last two years that the new national sales tax would not be a hidden tax?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I addressed that point in a previous answer. Two years ago we were working on a national sales tax which would have involved the provinces. If it had involved the provinces then clearly we would have had the ability and the capacity to do that sort of thing. Once we moved away from a national sales tax to a federal only sales tax, then we lost that control. But as I have said, and I have underscored this very clearly in this House, we are concerned about the visibility of the tax. We are concerned that consumers understand the impact of that tax on them and we will be working with various organizations to ensure that that does take place.

* * *

POINT OF ORDER

COMMENT IN QUESTION PERIOD

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, you may have noticed during the voluminous verbiage by the Minister for International Trade that he in the course of his remarks suggested that my response was dishonest. At page 106 of *Beauchesne* it specifically describes that as an unparliamentary term. I would ask the Minister to withdraw it.

Mr. Speaker: The Minister may want to respond. At the moment I am not going to make any ruling until I have a chance to look at *Hansard*. The Hon. Minister?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I do not know what term the hon. gentleman is referring to but I certainly want to withdraw it. Anything that Lloyd objects to I would naturally withdraw.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, I again rise on a point of order. I want to take the Minister at his word. Will he withdraw the Free Trade Agreement?

Some Hon. Members: Oh, oh!

Mr. Crosbie: Mr. Speaker, may I anticipate withdrawing whatever I may say tomorrow?

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Speaker: I want to advise the House that I am leaving the Chair.

Some Hon. Members: Oh, oh!

Some Hon. Members: You are withdrawing.

Some Hon. Members: Oh, oh!

GOVERNMENT ORDERS

[*English*]

WAYS AND MEANS

INCOME TAX ACT

Hon. Barbara McDougall (for Mr. Loiselle) moved that a Ways and Means Motion to amend the Income Tax Act, the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, the Old Age Security Act, the Public Utilities Income Tax Transfer Act, the War Veterans Allowance Act and a related Act, laid upon the table on Monday, June 12, be concurred in.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the yeas have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Call in the Members.

The House divided on the motion which was agreed to on the following division:

• (1510)

(Division No. 42)

YEAS

Members

Anderson
Atkinson
Belsher
Bertrand
Bjornson
Blais
Bouchard (Roberval)
Boyer
Browes
Campbell (Vancouver Centre)
Chadwick
Chartrand
Clifford
Collins
Cooper
Corbett
Couture
Crosby (Halifax West)
DeBlois
Desjardins
Dobbie
Dorin
Epp
Feltham
Friesen
Gibeau
Gustafson
Hicks
Holtmann
Horning
Jelinek
Jourdenais
Kilgour (Edmonton Southeast)
Langlois
Layton
Lewis
Lopez
MacDougall (Timiskaming)
Malone
Martin (Lincoln)
McDermid
McKnight
Merrithew
Monteith
Nowlan
O'Kurley
Plourde
Pronovost
Andre
Beatty
Bernier
Bird
Blackburn (Jonquière)
Blenkarn
Bouchard (Lac-Saint-Jean)
Brightwell
Cadieux
Casey
Charest
Clark (Brandon—Souris)
Cole
Cook
Corbeil
Côté
Crosbie (St. John's West)
Darling
de Cotret
Dick
Domm
Duplessis
Fee
Ferland
Gérin
Gray (Bonaventure—Îles-de-la-Madeleine)
Harvey (Chicoutimi)
Hogue
Horner
Hudon
Johnson
Kempling
Koury
Larrivée
Leblanc (Longueuil)
Loiselle
MacDonald (Rosedale)
MacKay
Marin
Mayer
McDougall (St. Paul's)
McLean
Mitges
Nicholson
Oberle
Plamondon
Porter
Redway
Reid
Richardson
St-Julien
Scott (Hamilton—Wentworth)
Siddon
Soetens
Stevenson
Tétreault
Thorkelson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Van de Walle
Venne
Vien
Weiner
White
Assiniboia)
Worthy—130
Ricard
Roy-Arcelin
Scott (Victoria—Haliburton)
Shields
Sobeski
Sparrow
Tardif
Thompson
Tremblay (Rosemont)
Tremblay (Lotbinière)
Valcourt
Vankoughnet
Vézina
Vincent
Wenman
Wilson (Swift Current—Maple Creek—
Wilson (Etobicoke Centre)

NAYS

Members

Allmand
Anawak
Arseneault
Axworthy (Saskatoon—Clark's Crossing)
Baker
Bélair
Benjamin
Blackburn (Brant)
Brewin
Caccia
Campbell (South West Nova)
Clancy
Copps
Dingwall
Duhamel
Finestone
Flis
Foster
Funk
Gagliano
Gauthier
Harb
Heap
Hovdebo
Jordan
Karpoff
Kilger (Stormont—Dundas)
Langan (Mission—Coquitlam)
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
MacLaren
Manley
Marleau
McCurdy
McLaughlin
Milliken
Mitchell
Nunziata
Ouellet
Parker
Phinney
Proud
Rideout
Robichaud
Rodriguez
Samson
Stewart
Taylor
Vanclief
Wappel
Wood
Althouse
Angus
Assad
Axworthy (Winnipeg South Centre)
Barrett
Bellemare
Black
Boudria
Butland
Callbeck
Catterall
Comuzzi
Crawford
Dionne
Ferguson
Fisher
Fontana
Fulton
Gaffney
Gardiner
Grey (Beaver River)
Harvey (Edmonton East)
Hopkins
Hunter
Kaplan
Keyes
Kristiansen
Laporte
Lee
MacDonald (Dartmouth)
Malépart
Marchi
Martin (Lasalle—Émard)
McGuire
Mifflin
Mills
Murphy
Nystrom
Parent
Peterson
Pickard
Prud'homme
Riis
Rocheleau
Rompkey
Simmons
Stupich
Tobin
Waddell
Whittaker
Young (Gloucester)—102

• (1540)

The Acting Speaker (Mr. Paproski): I declare the motion carried.

Mr. Wilson (Etobicoke Centre) moved that Bill C–28, an Act to amend the Income Tax Act, the Federal–Provincial Fiscal Arrangements and Federal Post–Secondary Education and Health Contributions Act, the Old Age Security Act, the Public Utilities Income Tax Transfer Act, the War Veterans Allowance Act and a related Act, be read the first time and be printed.

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

Mr. Soetens: Mr. Speaker, I understand that there has been consent among the three Parties that I present to you a report of the legislative committee on Bill C–19.

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

Some Hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

BILL C–19—REPORT OF LEGISLATIVE COMMITTEE

Mr. René Soetens (Ontario): Mr. Speaker, I have the honour to present the report of the legislative committee on Bill C–19, an Act to amend the Canadian Exploration and Development Incentive Program Act. It is also my understanding that there has been agreement that this Bill will be debated later on today.

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

GOVERNMENT ORDERS

• (1550)

[*English*]

CANADIAN ENVIRONMENTAL PROTECTION ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Bouchard (Lac–Saint–Jean) that Bill C–22, an Act to amend the Canadian Environmental Protection Act, be read the second time and referred to a legislative committee.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I want to begin by commenting on the main theme point in the Speech from the Throne in which the Government told us that the environment and its preservation for future generations were the Government's top priority.

The Acting Speaker (Mr. Paproski): Order, please. Members who wish to carry on a conversation will please converse behind the curtains.

Mrs. Catterall: I noticed that by the time the Throne Speech had faded a bit and we were into the Budget, suddenly the title of the Budget was not sustainable economic growth but sustained economic growth with no reference to sustainable.

That brings me to some of the points that I am concerned about with regard to this Bill. I do not believe any of us dispute the purpose of the Bill. I do think we have some concerns, however, about the commitment to the intention of the Bill and to the actions that are needed to go along with it. The reason we are being asked today to approve this Bill, and with minimum debate because of its urgency, is to allow the Government to implement its stated intentions to reduce the production of CFCs and their release into the environment.

We have no question in our minds that the environment, in particular the atmosphere, is the main issue that confronts society in Canada and around the world today. It is quite simply a question of whether there will be anything left to breathe a few years from now. If there is not, there will be no life on earth. For that reason, we have to question some of the weaknesses in the Bill. We have to question the lack of national standards that can be implemented. We have to question why, if this is such an important issue, the enforceability of this Bill is weak. We have to question why we are doing the minimum in targets for the reduction of CFCs being released into the atmosphere.

By contrast, I look at the actions of the Ontario Government which has introduced a package to eliminate the use of CFCs in Ontario completely. I note that part and parcel of Ontario's announcement was a commitment to commission and to fund the research and development necessary for a safe and efficient destruction method for CFCs.

We have heard and we will continue to hear in this House, at least from this side of the House, about the lack of commitment to science, research and technology development in this country. That is particularly important in the case of the CFC legislation and in the case of all environmental programs. This type of control, when it is only there as a mandatory kind of thing and not as part of a total commitment to the soundness of the environment, to improving it for future generations and certainly not to damaging it, is tokenism at best.

I am concerned that this Bill does not mean an awful lot. Over the last few years there have been reductions in research and development in energy conservation and the development of energy alternatives. There has been a reduction by 75 per cent of control of fertilizers and a lack of commitment to add resources to control the approval of pesticides and, in fact, to go back and review pesticides that have been approved and are now in use, based on our current knowledge of the environment and of the damage that pesticides can do both to the environment and to humanity.

I anticipate the same problem with CFCs: no commitment to research and development for alternatives, no commitment to the research and development necessary for the safe destruction of CFCs. Therefore, there is a minor effort to control CFCs, and perhaps this is a little too harsh, but I suspect no real commitment, if one looks at the record of the Government over the last four years, to other similar environmental areas.

As we look at this year's Estimates as well, we see a lot of words in terms of commitment to the environment, but no real commitment. Real commitment means you put your resources where your words are. That simply has not happened with the Estimates put forward by the Government this year. We see cuts in the commitment to inland waters, to fisheries, to atmospheric research, all those things which are part and parcel of the problem that this Bill purports to address; that is, the problem of CFCs, the problem of the deterioration, the destruction and, if we are not very careful, the imminent death of our atmosphere.

We see no commitment to municipal infrastructure. We all know that we need to do more to treat water supplies so that the circulation of water out of rivers and lakes and back into them is done in a way that does not deteriorate those bodies of water. We have the technology now to improve the way we return water to the rivers, but we have poor and small municipalities unable to afford to implement that technology. Every province across this country is prepared to cost-share the improvement in the treatment of water, but this federal Government refuses to participate in it.

Looking back over what the Government has done with PCBs only reinforces my concern about its commitment to this Bill and to the protection of the atmosphere. Four years ago there was a PCB spill in Kenora. There was a great uproar. The Government was going to do something, but it was quietly forgotten for three years until St. Basile le Grand had a tragedy with PCBs fortunately just before an election. That jolted people into action. However, if we look at what has happened since, is there one federally-owned PCB site that has been cleaned up? Is there one federally-owned PCB deposit that has been destroyed? I think not.

Vehicles can still be purchased by the Government without emission standards. This Government has failed to use its power of spending to achieve the needed improvements. We will be speaking about that later today when we look at Bill C-3 to establish the Department of Industry, Science and Technology. But the Government has tremendous purchasing power amounting to billions of dollars every year to determine what products will be produced by the private sector for consumption in this country. Its very purchasing power gives it the ability to influence manufacturers to develop alternatives to CFCs. Yet it is not doing that. There is no policy within this Government to determine that we will not purchase products that are unsafe to the environment. There is no Minister who has the authority to ensure that such a policy is implemented.

This Bill ignores completely the fact that the CFCs we have already put into the environment will not cease doing their harm for another 16 years. The atmosphere will continue to deteriorate as a result of the products that we used yesterday. This is damage which is predictable, and it is treatable if we are committed to doing it. But we know that by continuing the use of CFCs, we continue their damage, not for tomorrow or for the 5, 10 or 20 years we continue to use them, but for a full 16 years beyond that.

• (1600)

It is good that the Bill is here. I wish I felt that it were part of a real, ongoing and well understood commitment to consider our depletion of the earth's resources and our contribution to cleaning up the earth in everything we do. However, that is not what we have in front of us, that is not what I have seen from the Government in the last four years or in the last six months.

It has been said, and I guess it is a bit of a cliché, that all that is needed for evil to prevail is for good men to do nothing. I think it is a shame that the Government had to be forced by the courts to obey its own environmental guidelines. I thought that when we passed guidelines or laws to impose on other people it was because we believed in them and that we did not have to be forced by courts or anyone else to abide by them ourselves. I am a firm believer in "Do as I do, not as I say". It is a little hard for us to tell private industry to clean up if we are not prepared to clean up ourselves.

In passing this token legislation I challenge the Government to look at every aspect of our operation as a government and every aspect of the projects which we choose to fund here and abroad and consider what it is doing to the world that we are leaving to the next generation.

We need nationally enforceable standards and, more than that, we need a national and universal commitment by government to act on that which we all now know, that is, that unless we change our way of living we will not have a world to live in.

Mr. Stevenson: Mr. Speaker, I welcome an opportunity to make a comment in this debate today. As a Member, I object to the actions of certain Members who work extremely hard to make the environment into a very strongly partisan issue. It is clear to anyone that every Member in this House would do the most possible to ensure that our environment is indeed safe. I am sure that you, too, Mr. Speaker, would agree with that.

Canadians use about 2 per cent of the total world production of CFCs. Certainly we are part of the problem, but obviously not a huge part of the problem on a world-wide basis. From outside our borders Canada is looked upon as one of the leaders in establishing legislation and taking actions to control chlorofluorocarbons. We need look back only as far as the Montreal Protocol to see the leadership which Canada has taken. We took part in that agreement and since that time it has been recognized that rather than only cutting by 50 per cent we must basically eliminate the use of chlorofluorocarbons in Canada.

The Government has put out a report for public perusal on the deadlines in various usage areas. I have no doubt that as soon as practical alternatives come along significant action will be taken and members of this Party, as much as Members of the Opposition, will work very hard to ensure that the necessary action is taken to control this very serious environmental problem which we, individually, have been watching for some time and on which we will demand action.

I am not sure that this particular Member mentioned, as others have, that we should take action on alternatives immediately. Quite frankly, some of those alternatives are not yet proven. What alternatives exist in the area of household refrigeration, for example, to convert household refrigeration appliances if we suddenly removed chlorofluorocarbons?

Mrs. Catterall: Mr. Speaker, it is fine to say that we all want to do our best. I cannot help wondering why the Government seems to believe that it should be left totally to market forces to develop these alternatives. Surely the Hon. Member must be aware of the need for government investment in research and technology that is to the benefit of all society. We cannot simply wait for the vagaries of the market. I did mention that the Government has an ability to influence the market in a positive way by refusing to purchase certain products. As long as we spend Canadian taxpayers' money on harmful products there is no incentive for anyone to develop alternatives. I challenge the Member to take that back to his caucus and suggest that there are more positive things that can be done.

Mr. Gustafson: Mr. Speaker, I would like to make a comment with regard to the remarks made by the Member. Too many are tending to play politics with the very serious subject of the environment, and I refer particularly to the Rafferty–Alameda Dam. A lot of people have made statements in this House, to the press, and in other fora, who have no knowledge of the project. These types of statements do not help to build a better environment which will be sustained for future generations. All political Parties have supported this dam. In fact, a past Minister of the Environment under the Liberal Party, who is now the Governor General, instituted a report in 1974 which commended the Rafferty–Alameda Dam. The NDP have built six projects, smaller dams, on that basin system. Every government has supported the direction taken in that.

Ms. Copps: Mr. Speaker, I rise on a point of order. I understand that the privileges of the House protect us from making statements that may be found to be in contempt, but I think that if the Speaker will review the comments which have just been made he will find that the Member is moving dangerously close to contempt of court. There was a court judgment which came out specifically in the case of the Rafferty–Alameda Dam which has nothing to do with any political party. Heaven knows that Ministers of the Crown who have commented in the past on court judgments have found themselves out of a job. I know that the Member would not want to be found in contempt of court so I am sure he would want to withdraw his comments.

The Acting Speaker (Mr. Paproski): I will review the comments of the Hon. Member for Souris–Moose Mountain (Mr. Gustafson) with our law officers during this debate. I would hope that if this does involve a court proceeding the Hon. Member will tread lightly.

Mr. Gustafson: Mr. Speaker, I certainly implied nothing which would infringe upon the courts. I did mention the Liberal Party and the New Democratic Party. This has gone on in a very serious way which is challenging a most important project. It is very, very important that we have a clear understanding of what we are going to deal with if we are going to have a fair balance of dealing with environmental issues that we are all concerned about which will enhance the development of the environment.

• (1610)

The Acting Speaker (Mr. Paproski): The Hon. Member for Ottawa West would like to rebut, please.

Mrs. Catterall: Mr. Speaker, I am not sure how relevant the comments are, either to the issue or to my statement. I think the Hon. Member has made the point very well.

The court has made a decision that a project was not subjected to the environmental assessment when it should have been. The statements from the Hon. Member opposite simply reinforce my concern that having laws on paper is no commitment on the part of the Government to live within the letter and the spirit of those laws. The case he cited was an excellent example.

The Acting Speaker (Mr. Paproski): Comments are now terminated. Debate. Is the House ready for the question?

An Hon. Member: No.

The Acting Speaker (Mr. Paproski): The Hon. Member for Ottawa South.

Mr. John Manley (Ottawa South): Mr. Speaker, I would like to intervene in this debate very briefly. This is a Bill which we support. We support the objectives of the Bill in creating a legislative framework in which to enact regulations respecting the manufacture and expansion of CFCs and to implement the agreements of the Montreal protocol.

This is a very small Bill. Unfortunately, I take seriously the remarks of one of my Conservative colleagues that the environment is not really a partisan issue. It is an issue which is of much too great importance to debate merely on partisan grounds.

In this case, though, there are some things which should be said in response to the Government's proposition of this Bill at this time. It does indicate that the Environmental Protection Act was enacted last year in what was more or less a death bed conversion on the part of the Government to put together a major piece of environmental legislation in the final months before an election, when Decima told them it was the biggest issue on anyone's agenda in the real world.

We see a case of poor drafting in a statute that was hurriedly put together and needs to be amended before any other regulations have been proclaimed just in order to comply with the Montreal protocol which has been around for some years now.

I want to reflect on the importance of this Bill as a symbol of what we need to be doing here in this Chamber. In my few months here, we have debated the Free Trade Agreement with the United States. We have talked about the Budget and budget leaks. We have talked about the Constitution, things of great importance to many of us and to many Canadians.

I suggest to you, Mr. Speaker, that what we are talking about today in this one-page Bill is the most important matter to come before us in the months of this Parliament.

What we have discovered in recent years, to our dismay, is how interrelated human activity truly is. For all those years when we, without a thought, used the CFC propellants in our aerosol cans, we never once thought of the long-term damage we were causing to the global environment. We have the evidence of the destruction of the ozone layer. It is not evidence which was easy to come by. According to an article in *Time Magazine* in 1987, they wrote:

> For several years NASA's scientists failed to accept data on the Antarctic ozone hole that was before their eyes. The reason: Computers pre-screening data from monitoring satellites had been programmed to dismiss as suspicious presumably wild data showing a 30 per cent or greater drop in ozone levels. After British scientists reported the deficit in 1985, NASA went back to its computer records, finally recognizing that the satellite data had been showing the hole all along.

As we talk about the global crisis in the environment, Mr. Speaker, it is often that we hear these expositions of concern and worry dismissed as being panic-mongering or worry-mongering. Those dismissals have occurred before by elite scientists, as sophisticated and as well trained as those of NASA. They were proven to be wrong. Deterioration of the ozone is of special concern to those of us who find the sun somewhat difficult to bear as it is. The evidence is clear. I speak as someone with a bit of red hair and with two children with red hair. The evidence is clear that many of us are going to be prone to skin cancers in the years to come as a result of ozone deterioration. That is maybe the least of our problems.

The evidence is also clear that the agricultural product is going to be reduced. Productivity will be reduced as ozone deteriorates. Further, sea life is in peril as the plankton in some areas are killed by the ultraviolet rays. Once the food chain is affected, what we have on our hands is a serious, serious problem in a world in which we are already having difficulty feeding our population. That is why I say that perhaps this little one-page Bill is the most important thing we have brought forward in this Parliament.

A few weeks ago, my 10-year old daughter came to me with a poem which she had written. She read it as a rap. It was kind of read to a beat. She gets up earlier than the rest of us and it was something which she sat down early in the morning on her own and produced. It was about the environment. She wrote a little poem about how we were messing things up.

I think the question that we all have to ask ourselves, as we carry on our duties as Canadian parliamentarians, is what do we say to the children? How do we explain to them that the world in which they are growing up is imperilled in a very basic fundamental way? Our abilities to sustain life are in peril because of our greed.

I think that this amendment is a good one. It is good that we are moving forward on the Montreal protocol. There are some criticisms that maybe the regulations should be sterner and maybe, as the Friends of the Earth in a press release issued today have said, we could reduce the CFC production more rapidly. We could make a greater contribution. I would urge the Government, if that is the case, to make every effort to expedite the reduction of CFC production.

That is not really the point. I think the point is that we have discovered in this global interrelatedness of our economy, of our energy policies, of our finance and of our environment, that we no longer live in a world separated by international boundaries. We are one another's neighbours.

We have a stake in the destruction of forests around the world. We have a stake in the economies of those countries whose poverty is driving them to destroy the very resources that they and the world needs in order to carry on. We have a stake in those countries who are so threatened by global warming that they may not continue to exist as nations if present trends continue.

I give you the example of the islands of the Maldives which will not exist in the world in 50 years' time if present global warming trends continue. I give you the example of the state of Egypt where 10 million of its people live at an B latitude less than one and one-half metres above sea level. If current global warming trends continue, that entire population will be forced to relocate. We, as Canadians, have a stake in these crucial world problems. We have contributed our part to the creation of these problems. We are called upon in our sophistication, in our higher education and in our wealth to contribute to their solutions not just within our own boundaries but world-wide.

• (1620)

I return to the question that I posed earlier somewhat rhetorically. What are we going to say to the children?

[*Translation*]

How to explain to the children of the world that we took too much—

[*English*]

That we were too greedy and that their future is in peril.

Mr. Waddell: I wonder if the Hon. Member would like to comment on the matters raised in this debate. He spoke on the ozone layer. Also the Parliamentary Secretary raised the problem of Rafferty–Alameda Dam. Would the Hon. Member agree with me that that was one of the biggest scams for which this Government has ever been responsible in the sense that it went ahead with that without an environmental study, through a quick deal behind the doors, a backroom deal with the Premier and Deputy Premier of Saskatchewan with the consent, I would say, of the present Parliamentary Secretary who should think perhaps about shifting his portfolio away from environment. This, as the Hon. Member would know, caused the resignation of one of the senior staff members of the previous Minister of the Environment who blew the whistle on that gang of environmental crooks.

Would the Hon. Member comment on that? The Hon. Parliamentary Secretary is heckling me. But surely the Canadian Federal Court showed what a scam the deal was.

The Acting Speaker (Mr. Paproski): I would hope the Hon. Member would put the question.

Mr. Waddell: I am putting the question, Mr. Speaker, if the Parliamentary Secretary would let me do so. He is very, very sensitive to this scam that he, Devine and Berntsen made. The Federal Court of Canada had to overrule and caught them through some honest person in the Minister's office. It is a scam. Every environmental group in Canada is upset over the way the Government acted.

I want to ask the Hon. Member who just spoke and spoke very well on having some ethics in environment. Would the Member agree with me that this is not the way to approach environment through backroom deals, but we do need environmental assessment of projects so this kind of environmental degradation cannot happen?

Mr. Manley: Mr. Speaker, I thank the Hon. Member for his question. What we can be grateful for in this sorry history is the Federal Court of Canada and the decision it rendered.

The question points out the truth of what the Brundtland Commission itself stated when it considered the problems that we have in trying to interrelate various aspects of policy making in a very complex economic environment. The Brundtland Commission in speaking of the challenges to link the aspects of policy making together in sustainable development stated:

> The challenges are both interdependent and integrated, requiring comprehensive approaches and popular participation.
>
> Yet most of the institutions facing those challenges tend to be independent, fragmented, working to relatively narrow mandates with closed decision processes.
>
> Those responsible for managing natural resources and protecting the environment are institutionally separated from those responsible for managing the economy. The real world of interlocked economic and ecological systems will not change, the policies and institutions concerned must.

Mr. Waddell: Mr. Speaker, I rise on a point of order. I am not trying to make things hard for you. I just want to point out that I made a mistake and referred to the Parliamentary Secretary when I was talking about what I consider a scandal over the Rafferty–Alameda Dam. I meant the Hon. Member for Souris—Moose Mountain (Mr. Gustafson), the Parliamentary Secretary to the Prime Minister, who is the one responsible for this scam.

Mr. Gustafson: Mr. Speaker, I think the Hon. Member just makes the point that I made earlier. The minute we start to play politics with the environment, to play politics with a sensitive issue we begin to—

Mr. Riis: Keep politics out of Parliament.

Some Hon. Members: Oh, oh!

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: On division.

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

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Moose Jaw—Lake Centre (Mr. Laporte)—AGRICULTURE—Provincial soil agreements; the Hon. Member for Thunder Bay—Nipigon (Mr. Comuzzi)—Canadian Aviation Safety Board recommendations—Air traffic controllers; and the Hon. Member for Hillsborough (Mr. Proud)—Occupational Health and Safety—Closure of Centre—Government position—Rights of Canadians to information.

GOVERNMENT ORDERS

[*English*]

INDUSTRY, SCIENCE AND TECHNOLOGY

MEASURE TO ENACT

The House proceeded to the consideration of Bill C-3, an Act to establish the Department of Industry, Science and Technology, to repeal the Department of Regional Industrial Expansion Act and to make consequential amendments to other Acts, as reported (with amendments) from a Legislative Committee

The Acting Speaker (Mr. Paproski): There are six motions in amendment standing on the *Notice Paper* for the report stage of Bill C-3, an Act to establish the

Department of Industry, Science and Technology, to repeal the Department of Industrial Expansion Act and to make consequential amendments to other Acts.

[*Translation*]

Motions Nos. 1 and 5 standing in the name of the Hon. Member for Essex—Windsor (Mr.Langdon) cause the Chair some procedural concerns. Subsection 6(2) of the Bill limits the Minister's powers to regional economic development in Ontario and Québec only. It therefore seems that by seeking to broaden the Minister's powers and duties to include all of Canada, the mover is seeking to amend the Bill in a way that goes beyond what the House had in mind when it approved the Bill in principle. Therefore, in accordance with Citation 773(1) of Beauchesne, motions Nos. 1 and 5 will not be selected.

[*English*]

Motion No. 2, standing in the name of the Hon. Member for Ottawa South (Mr. Manley), is identical to an amendment that was moved, debated and negatived in the legislative committee which studied Bill C-3. Accordingly, pursuant to Standing Order 76(5), this motion in amendment will not be selected.

Motion No. 3 standing in the name of the Hon. Member for Calgary Northeast (Mr. Kindy) is acceptable and will be debated and voted upon separately.

Motion No. 4, standing in the name of the Hon. Member for Ottawa South (Mr. Manley), although similar to an amendment that was moved, debated and negatived in committee, is somewhat different and, consequently, I shall give the Hon. Member the benefit of the doubt and allow the motion to be debated and voted upon separately. Motion No. 6 standing in the name of the Hon. Member for Essex—Windsor (Mr. Langdon)—

[*Translation*]

Motion No. 6 standing in the name of the Hon. Member for Essex—Windsor (Mr. Langdon) is in order and it will be debated and voted on separately.

• (1630)

[*English*]

To recap the ruling, Motions Nos. 1, 2 and 5 will not be selected. Motions Nos. 3, 4 and 6 are acceptable and will be debated and voted upon separately, and I shall now put Motion No. 3 to the House.

Industry, Science and Technology

Mr. Alex Kindy (Calgary Northeast) moved:

Motion No. 3

That Bill C–3 be amended in Clause 7 by adding immediately after line 17 at page 3 the following:

"(d) ensure an equitable distribution of economic benefits throughout the various regions of the country."

He said: Mr. Speaker, the purpose of this amendment is to bring into line the functions of the Minister of Science and Technology. The Department of Industry, Science and Technology is a new Department. The legislation deals in Part I with the very important issue of trade, commerce and science and the objectives of the Minister are to strengthen the national economy, increase the international competitiveness of Canadian industry and encourage the fullest and most efficient and effective development and use of science and technology.

My amendment would add to that that the Minister ensure an equitable distribution of economic benefits throughout the various regions of the country. A Minister responsible for industry and commerce will have a lot of power. I believe that one of the objectives of the ministry should be to ensure equal distribution of economic benefits throughout all of Canada.

Part II of the legislation deals with science, and we understand that the Minister is to have power over science and research. Part III deals with regional development in Ontario and Quebec. I believe that because of this, the Minister could look more leniently at Quebec and Ontario, but I would like him to deal with Atlantic Canada and the West the same way. That is why I have moved this amendment.

I believe this is a reasonable amendment. It would put into perspective the Minister's objectives. As I said, one objective would be to ensure an equitable distribution of economic benefits throughout the various regions of Canada. As a westerner and as a person who feels that the Department of Industry, Science and Technology will be a very important ministry, I believe the Minister should have that as an objective as well. That is why I am putting this motion to the House.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, if I could, I would like to very briefly indicate our support for this amendment. We tried with several amendments in the legislative committee and before the House, amendments which were considered to extend the scope of the Bill unduly, to get the same sense of equity put into the legislation. We wanted a commitment on the part of this ministry to have some kind of over all function with respect to economic equity in Canada.

In Canada, there are now essentially three quite disparate and often unco–ordinated agencies which are trying to achieve regional development. There is ACOA, the Atlantic Canada Opportunities Agency, which has one set of policies it is pursuing with respect to Atlantic Canada. There is the Western Diversification Office which has a completely different set of policies it is pursuing with respect to western Canada. As the legislation before us presently stands, there is also this ministry which will be taking responsibility for Ontario and Quebec. Talking of balkanization within a country, I think this is the most glaring example one could possibly see with respect to one of the most important functions of Government, its responsibility to achieve greater economic equity throughout the country.

If this motion is passed, it will have the effect of indicating the significance of this concern. It will not do as much as we would like to see done. We would like to see the responsibility clearly set out for the ministry to give some co–ordination to regional development efforts right across the country. In the absence of that, this motion would at least recognize that part of the responsibility of the Minister will be to work toward greater equity in economic opportunity throughout Canada.

Let me illustrate some of the problems that are coming up in the present situation. At the moment, the constraints which have been imposed on ACOA have led it to focus its assistance very much on small–scale business in Atlantic Canada. I personally think that makes sense, but at the same time, the Minister responsible for western diversification, when he testified recently before the Standing Committee, Industry, Science and Technology, Regional and Northern Development, indicated that he himself was putting the emphasis on larger scale projects in western Canada. In fact, the great bulk of money provided through his office for western diversification has gone to large scale projects. In fact, much of it has gone to foreign owned projects which are the subsidiaries of large, extremely rich multinational corporations which, quite frankly, do not need subsidized loans from the Government of Canada in order to provide enterprises throughout the country. In the case of western diversification, the emphasis should be on westerners, western Canadians, small and medium scale entrepreneurs who want to see development in their communities and are prepared to take steps to attempt to achieve that.

• (1640)

Because of a lack of over-all responsibility on the part of this Ministry for benefits for the future and a sense of equity in these benefits, we have diversion in terms of policy taking place.

If this were diversion with respect to tourism policy, for example, we might not be so concerned. Our tourism policy would give us a policy which differed depending on the part of the country. However, here we are talking about very important concerns for the country in the future and the desire to get some type of regional equality of opportunity for people and for communities. Instead of greater equality being recognized as something that is being sought in this legislation, as it stands at the moment it is not a responsibility of the Minister.

This amendment comes from the Conservative benches. It is an amendment which we certainly support, because it at least goes some distance in putting into effect some of what we had hoped to accomplish. I very much hope that my fellow Members of the House in the Liberal Party will also be able to support this amendment. Frankly, I hope that it will be unanimously accepted by the House as a constructive addition to this piece of legislation.

The Acting Speaker (Mr. Paproski): The Hon. Member for Willowdale.

Mr. Jim Peterson (Willowdale): We in the Liberal Party propose to support this amendment. We congratulate the Hon. Member who has moved it. It is critical that we claw back from the Government some of the territory that it has taken away from the regions of Canada. It is critical, because the Government is cutting the funding in Atlantic Canada. It is cutting the funding for development in the West. It is cutting the funding in northern Ontario. It is cutting the funding to the regions of Quebec.

The Government is content to close down small-town Canada. The opportunities that the people in those regions have are being pulled back from them by the Government.

This amendment gives us one opportunity to remind the Minister of Regional Industrial Expansion and Minister of State for Science and Technology (Mr. Andre) that he has a responsibility to the regions of Canada.

It is with enthusiasm that we support this amendment. We wish that it were not necessary, but in light of all the other attempts by the Government to get rid of its responsibilities to help the people in the regions of Canada who need it most, this type of amendment is critical.

For example, in my own province in northern Ontario, industry is a major industry. Because of the 15 per cent tax, we have seen seven sawmills close, laying off some 2,000 people from work. Hopefully, with this type of amendment, we can take steps to redress this inequitable situation.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 1 standing in the name of the Hon. Member for Calgary Northeast (Mr. Kindy). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 76(8), the recorded division on the proposed motion stands deferred.

The next question is on Motion No. 4.

Mr. John Manley (Ottawa South) moved:

Motion No. 4

That Bill C-3, an Act to establish the Department of Industry, Science and Technology, to repeal the Department of Regional

Industrial Expansion Act and to make consequential amendments to other Acts, be amended in Clause 8 by adding immediately after line 27 at page 4 the following:

"(i) develop, implement, and promote national policies to foster economic development that is environmentally sustainable;"

He said: Mr. Speaker, this motion to amend the Bill to create the Department of Industry, Science and Technology, is intended to bring within the provisions of that Bill the requirement that the Minister, in exercising his duties as Minister, develop, implement and promote national policies to foster economic development that is environmentally sustainable.

This amendment goes to the very core of what the Government has been stating about its interest and concern in the environment. It goes to the core of the Prime Minister's praise for the work of the Brundtland Commission. This amendment seeks to take this Department of Government, which is a key economic Department, and put within it the responsibility to look to sustainable development as a key aspect of economic policy. This is entirely consistent with the proposals of the Brundtland Commission. I submit that it is entirely consistent with what the Government has been stating. Remember the Speech from the Throne, Mr. Speaker, wherein the Government proclaimed that the environment was to be one of its first priorities?

I have a series of press clippings here: "More priority for environment is promised by new minister"; "Environment No. 1, Bouchard says"; "Environment comes first in new projects: Bouchard"; and "Environment to get top priority, minister says". This is to be the top priority. An article in *The Globe and Mail* on February 1, states in part:

The new federal Environment Minister, Lucien Bouchard—said the new government's thinking is in keeping with the concept of sustainable development: that the prevention of present and future harmful environmental effects has equal priority with other economic and social goals.

This is consistent with the recommendations of the Brundtland Commission. I also wish to quote from the Brundtland Commission report which states:

In the past, responsibility for environmental matters has been placed in environmental ministries and institutions that often have had little or no control over destruction caused by agricultural, industrial, urban development, forestry, and transportation policies and practices. Society has failed to give the responsibility for preventing environmental damage to the 'sectoral' ministries and agencies whose policies cause it. Thus our environmental management practices have focused largely upon after-the-fact repair of damage: reforestation, reclaiming desert lands, rebuilding urban environments, restoring natural habitats, and rehabilitating wild lands.

The ability to anticipate and prevent environmental damage will require that the ecological dimensions of policy be considered at the same time as the economic, trade, energy, agricultural, and other dimensions.

The Science Council of Canada in its report entitled *Environmental Peacekeepers* makes the same point. Again, I quote:

Global environmental deterioration has been spawned in large measure by science and technology applied to unsustainable economic growth and development in the industrialized countries. It is worsening as those Third World countries that can do so accelerate their economic development in order to raise their living standards—

The role of science and technology in undoing the global ecological crisis—if it is to be undone at all—is of paramount importance.

The Science Council of Canada goes on to recommend that the Department of Industry, Science and Technology take a leading role in the environmental renewal that the world calls for us to have.

• (1650)

This is a challenge to the Government. This is its commitment to live by the intent of the Brundtland Report. This is its opportunity to embark on an exciting adventure. Let us say now to Canada and the world that our key economic development Department of the Government of Canada is going to take into its heart and soul concerns about the environment.

I know what the response in the legislative committee on similar amendments was. It was: "Well, there is an environmental policy committee of Cabinet to review these things". Is that not the Canadian way, Mr. Speaker? We will turn it over to a committee. Committees are well known for the types of decisions they make.

Let us take environmental concerns and put them under the responsibility of the Minister who is going to carry out policies whose very implications could be threatening to the environment. That is where it belongs. That is the challenge to the Government.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, first, I want to say a brief word of congratulation to the Hon. Member for Ottawa South (Mr. Manley) for having taken this very fine initiative. Second, I wish to say that if any Member of the Progressive Conservative Party were to vote against the amendment now proposed by the Hon. Member,, they in substance and in spirit would be voting against their own Prime Minister (Mr. Mulroney), their own Speech from the Throne and statements made at home and abroad by their own Minister of Finance (Mr. Wilson).

I will explain to you why, Mr. Speaker, I say that. The amendment being proposed reads simply that the mandate of this Department should also "develop, implement, and promote national policies to foster economic development that is environmentally sustainable".

What the Hon. Member for Ottawa South is proposing is what the Prime Minister proposed at the United Nations in June of last year. Do the Progressive Conservative Members in the House want to vote against what their own Prime Minister said abroad? If that is not enough, would they want to deny a major paragraph contained in the Speech from the Throne which states: "My Government will pursue sustainable development as a major thrust in the policy development of this Government in this Parliament"? Is that not what it states in the Speech from the Throne?

On April 27, when the Minister of Finance delivered his speech in this House he, in his own words, said he also wants to have economic development that is consistent with sustainable development.

The Minister repeats the old chestnut that his colleague the Minister of Regional Industrial Expansion (Mr. Andre) brought up in committee when he said: "Oh well, do not do that because the development and environment Department should do it". That thinking belongs to the caveman. It has been put aside at a number of places where Canada participates and in organizations of which Canada is a member, namely, the OECD, the United Nations, and through two members of the Brundtland Commission—everywhere we have agreed to the principle that we should now integrate the economy with the environment.

We have even reached the point of adopting and sponsoring the notion that the environment ought to be made the responsibility of every Department. Now is the opportunity to practise the theory that has been embraced by the Prime Minister at home and abroad, by the Minister of Finance and by some Members of Cabinet who attempt to do it and, quite understandably so, within the realm and powers given to Cabinet.

What the Hon. Member for Ottawa South is proposing is really an additional step, but a very practical one. The first practical opportunity to implement this practical step within the Government's structure is by saying that the formation of a new Department which, among other responsibilities, has the responsibility to ensure that the fostering of economic development be also environmentally sustainable.

It is a beautiful amendment. It is a great opportunity for Members on the Government side to practise what their Prime Minister preaches abroad and at home, and also what some of their own colleagues in the environment committee have been saying for weeks and months now. They also support and quote Madam Brundtland, as the Hon. Member for Ottawa South has just done. It would be a contradiction of their own policy, of their own credo, of their own statements and beliefs if they were to vote against this amendment.

This is where the political crunch is. We are anxiously awaiting the moment when you call the vote, Mr. Speaker, to see that there is consistency in the beliefs of the Progressive Conservative Government when it comes to sustainable development.

The Hon. Member for Ottawa South is offering Members opposite a unique opportunity to practise what they preach. It is not good enough to go to the United Nations and make a great declaration. It is not good enough to go to The Hague as the Prime Minister did in March and make another declaration. It is not a matter of a declaration here. It is a matter of putting into legislation a very sound and basic principle, one that is being proposed by the Hon. Member for Ottawa South. We congratulate him.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, with respect to our Party we want to say two things. First, we wish to extend our congratulations to the Hon. Member for Ottawa South (Mr. Manley) for his continuing efforts to put this idea before the Government, both in the legislative committee and now here in the House. He is absolutely correct when he says that the position which has been so strongly put by the Brundtland Commission is something which we in this House should feel a sense of enthusiasm about and a sense of commitment to.

I hope very much that Government Members will take this amendment seriously, look at it, listen to some of the points which have been made and on the basis of their consideration of the substance of it end up supporting it. It is interesting to look at the clause to which the Hon. Member wishes to add this notion of environmental priority. The clause contains perhaps the greatest collection of motherhood statements that have ever graced a piece of legislation in the House of Commons.

• (1700)

The Minister is to develop, implement and promote national policies to foster international competitiveness in industry. It would be most remarkable if a Minister of Industry for Canada were supposed to promote international lack of competitiveness for our industry.

He is supposed to enhance industrial, scientific and technological development. Again, it would be absolutely bizarre if the Minister of Industry were given the task of reducing industrial, scientific and technological development in this country. He is supposed to improve the productivity and efficiency of industry. We would be amazed to see before us a clause which states that the Minister is supposed to promote inefficiency.

The Minister is supposed to develop and implement national policy to foster entrepreneurship, start-up growth and expansion of small businesses. Again, it would be remarkable if he or she was supposed to spend time undercutting small business in this country. This is a set of motherhood commitments.

Frankly, with all due respect to my hon. colleague, what the Hon. Member for Ottawa South (Mr. Manly), whom I have already congratulated, has suggested here tonight is a motherhood statement as well. It is a statement that the promotion of national policies to foster economic development should be environmentally sustainable. Surely this is not something radical and excessive to suggest in 1989 when the Great Lakes in Ontario have levels of toxic chemicals that threaten communities like mine, and the St. Lawrence is being the subject of tremendous government expenditures even during a time of restraint in order to reduce toxic dumping into that river system which so threatens people down river within the St. Lawrence. If we are going to recognize the motherhood principles within this clause, surely it makes equally as much sense to recognize the importance of our environment.

When I first heard the Government begin talking about the environment, I put tongue in cheek and waited for the inevitable failure of the Government to follow through. I will not say that I have been convinced, but I must say that the Government is proving to have more seriousness with its commitment to environmental concerns. I give credit to the Minister for some of that, but I give credit to the Cabinet itself for recognizing the importance which public opinion has begun to give to environmental concerns. With that sense of environmental commitment which exists across the country, an amendment like this is not just a subject for celebration on the part of the House, or just a subject for easy and unanimous support, but something which is so straightforward and understood within the rhetoric of the Government's own thinking that there should be no question that this amendment would be adopted by the government side and those on this side of the House.

[*Translation*]

Mr. Alex Kindy (Calgary Northeast): Mr. Speaker, I would just like to add a few words. Motion No. 4 by the Hon. Member for Ottawa South (Mr. Manley) is certainly an excellent one. It deals with the problem of the environment. I think that today the Government itself realized the importance of the environment. That is why I will vote for this motion and I hope that other Members will do the same.

[*English*]

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I want to take this opportunity to make a brief intervention in the discussion on this amendment to Bill C-3. I want to add to the compliments of our industry critic for the New Democratic Party and commend the Hon. Member for Ottawa South (Mr. Manly) for moving this amendment. It is important that we in the House begin to understand the mechanics involved in bringing sustainable development into legislation and Acts of this land.

All too often, governments like the one opposite and perhaps others ask how they are supposed to achieve sustainable development. I believe this amendment is the first practical way to begin making the steps toward a sustainable development policy in Canada.

What could be a better place to do it than in Bill C-3, with the creation of a new Department that in Ontario and Quebec will help manage resources like forestry, agriculture and others?

It is an important subject for us to follow because, unfortunately, just in the last week and a half the Conservatives have voted against the environment, voted against VIA Rail, voted against education, and if some of the comments opposite are any indication, when we vote on this amendment tonight the Conservatives will vote against sustainable development.

• (1710)

It is time that the Party of the Members opposite practiced what their Prime Minister (Mr. Mulroney) preaches. As the Member for Davenport (Mr. Caccia) said, "What we have across the way is not the Progressive Conservative Party, we have the negative Conservative Party. Government Members have been voting against all of the progressive amendments and motions that Members on this side have been presenting to this House. It is a shame, but it will be remembered by the voters when it comes time to consider this in the future.

Further, on sustainable development, as your Honour would know, we hope soon to see introduced in this House legislation to create a full department of forests. I have spoken about that a number of times and I know it is of importance to other Members. I would like to put yourself, Mr. Speaker, and the Minister of State (Forestry) (Mr. Oberle) when he is in the House, on notice that I trust the Government will bring in legislation that will have the concept of sustainable development built into it. If it is not, I suggest that we will be the first to present an amendment to that legislation to see that it is brought in. We need that legislation and we need it soon. However, we do not just want some kind of airy-fairy framework. We want to see some substance in that legislation. I believe this amendment is an example of that.

Furthermore, if I could just put in some comments about what the concept of sustainable development means. How do we deal with that concept? It has been written about, and I would like to quote a few comments from the 1988 *Ombudsman Report* from British Columbia which I recommend to Members of the House to read and to whom I would certainly be able to provide copies. One section here deals withpart of the problems that we have in British Columbia in forest resource management and resource conflict. The Ombudsman has spent a great deal of time resolving those problems. The interpretation that I place on sustainable development is that before we proceed with a project and with development that all Parties sit down and work out how that can be best managed and developed.

I will conclude with just a few comments from the *Ombudsman Report*.

> —a duty is placed upon the decision maker, insofar as is reasonably possible, to appreciate fully the significance of and the foundation for the various individual or group interests.

These groups would include environmentalists, loggers, fishermen, fisher-people, whoever is involved in that resource, to see that those decisions are made. We need a structure.

I was just in Alberta last week. If there is a place that needs a structure for proper environmental assessment of all those major pulp mill projects going on, Alberta is the place. We also need some objective assessment criteria.

In the Forestry Committee some two or three weeks ago, we asked the Minister to provide to us the criteria he is looking at when he attends, presumably next Monday and Tuesday, a Forestry Ministers' Conference in Ottawa. "What is the criteria that you are looking at when you sit down to, hopefully, re-sign those forest agreements, the six that have expired and the ones that we are looking for in the future? Is sustainable development part of that?" We do not know. Is reforestation part of that intensive silviculture? How many years are we looking at for this? The Minister refused to provide the committee with that information. Unfortunately, on partisan lines, the committee voted to refuse to ask the Minister to provide it. That is a point that is made in this report. You need that information to make objective decisions. The independent assessment is critical. We need to avoid the process whereby experts are retained to present data in a fashion which will advance only the interests of their client.

One other point that I believe is critical, not just on questions of sustainable development or the forest department legislation or even this legislation, is policy guidelines. Rules and regulations should be clearly defined in plain language.

Most Members probably know that in Toronto there is a plain language centre. We should send some of the legislation rules of this Government through their plain language grinder to come up with some legislation and policies that everyone can understand. Often it is very difficult to understand.

I will conclude with the forest resource development agreements. That is a particular interest of mine. It is an area where the question of sustainable development can be applied. Let us have a framework when we renew those agreements. Let us have a framework of sustainable development so that we can reforest our lands, so we can accommodate the interests of others—integrated resource management, pest control that is environmentally sound. This amendment is calling for the framework of sustainable development. This amendment will give some practical edge to the implementation of the policy that this Prime Minister talks about. For that reason, Members opposite should support this amendment. We certainly will. I congratulate the Member for bringing it in.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I think the fact that this motion is even here for debate is a crying condemnation of the Government's real commitment to sustainable development. It is in fact a blatant demonstration that Members of the Government on the committee that considered this legislation do not even understand what sustainable development is. They failed to understand that the whole message of the Brundtland Commission, the whole message of sustainable development is that the economy and the environment are inextricably linked. We cannot continue to use the earth's resources, deplete those resources, to return them to the earth filthy, to the air filthy, to the water filthy, or to use them up faster than they can be replenished and hope to have an economy that will continue to provide us with the goods and services that we require.

We cannot afford to export the kind of wasteful, destructive, economic activity that we have enjoyed in the developed world to those countries that are just now developing. That is the whole message: the economy and the environment cannot be separated. That is why the motion of my colleague from Ottawa South (Mr. Manley) is one that should enjoy the unanimous consent of this House.

How can one foster tourism, foster entrepreneurship, foster competitiveness and not look at the resources that we draw from the world to create that entrepreneurship, to draw those tourists, to feed the industries, to support the competitiveness? How can we fail to preserve those very things that drive the economy? Therefore, how can the Minister himself say that the mandate of this department is developing economic strength? Does he really not understand and does every Member sitting across the aisle not understand that the strength is based on the resources of the earth. If you do not use them in a way that ensures their preservation, you do not have resources on which to build your economy. It is an integral part of the mandate of this department. It must be, or there will be no reason for this department to exist.

Far more important, it is essential that this concept be absorbed into every department within Government. At the Environment Committee, we have been discussing how to achieve this at meeting after meeting. Here is our first opportunity to do so.

The Minister responsible for the Department of Industry, Science and Technology (Mr. Andre) said that the Department of the Environment has the responsibility for those things. He was talking about sustainable development. He said that this amendment and spreading the responsibility for sustainable development to other departments do not contribute to better Government. That is precisely what must happen. It must become the responsibility of everybody who works for Government, everybody who directs any program of Government, to ensure that the work they are carrying out is in conformity with our commitment to the future of the world. We owe it in fact to the quarter of a million of people who work for the Government of Canada to make sure that they have that message. There are citizens out there who are concerned, as your polls tell you, that our Government, and we individually, take action to preserve the environment.

There are citizens who want to know what they can do in their workplace to contribute to a better world. If that leadership is not there in every department, from the top down, they will not get that message. We will go on spending over $100 billion a year in our procurement of goods and services, on products that are damaging to the environment instead of using our purchasing power to influence what the market produces and how safe it is.

• (1720)

If the Government is wise, it will spread that influence to other public spending. The provincial governments across this country spend that much and more every year. The municipal governments collectively spend 25 per cent more than the Government of Canada. What a magnificent economic tool to harness and foster the growth of environmentally safe products.

Another thing that rejecting this amendment does to the mandate of the Department, in fact to the responsibilities of the Minister, is to ignore some very excellent opportunities for economic development, for economic growth, and for competitiveness for new small businesses. One of the key opportunities in the next few decades will be for nations that know enough to see the problems of the world and develop solutions to them. Canada is ideally situated, both climatologically and environmentally and in terms of our stage of development, to be one of the world leaders in developing solutions to environmental problems. There are few countries in the world that have the capacity, the natural strength to do it as this country has. If sustainable development is not part of the responsibility of this Department, then that opportunity will be missed.

The question of sustainable development of environmental consciousness is not a little jewel to be put in a box and brought out for press conferences and to show our international friends on international junkets. Yet that seems to be the impression of the Minister who said in committee that "the Government's direction is to want an economy that is of high quality in terms of sustainable development, to preserve and enhance the environment that provides for things that are not immediately of tangible value but have some higher values; poetry, music, what have you." The Minister obviously fails to understand that we are talking about the survival of the world and of human life in this world. These are not nice little extras to have, they are essential to human life. If we try to treat the environment like a jewel that we put in a box and trot out and admire and flash around when we want to look good, we will find that what we have in fact is a Pandora's box.

My colleague from Ottawa South said that this amendment is a challenge to the Government. I say that it is more than that, it is a challenge to the conscience of every person who sits in this House, a challenge to their commitment to the future, and to whether they really mean what they say when they talk about the environment, or are they just mouthing pretty words?

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I would like to say a few words on this concept. I am not a member of the Environment Committee as is the Member who just spoke, or of the technological committees of which Members have been speaking. However, I have a great deal of interest in the environment.

About 15 years ago I was associated with the Berger Inquiry on the Mackenzie Valley pipeline. We went to examine the social, economic and environmental implications on the people of the North of the building of the massive megaproject. Before we really started the inquiry, I had the honour to go with Judge Berger to New York to the United Nations. We went to see the United Nations environmental people to find out what other countries had done. As the Member from Ottawa West (Mrs. Catterall) who previously spoke said, Canada had to show the lead. We were surprised to find out that no other country had ever looked at the environmental implications of the building of a megaproject before the project was built. A lot of them could see it afterwards but no one had looked at it before. Canada was a pioneer in this.

I have watched this environment issue develop over the years. This is an interesting motion, it is to amend the Bill to add "develop, implement and promote national policies to foster economic development that is environmentally sustainable". The Brundtland Commission speaks, I believe, of sustainable development. What is sustainable development? I am a layman, not a member of these committees and not one directly involved in environmental issues. I know that sustainable development has been defined by some Members here today but it still seems to me like nailing jelly to the wall.

Let us be honest, what is sustainable development? I talked to someone who looked at all Canadian government programs to try to find examples of sustainable development under the widely defined terms of development that is good for the future, that does not destroy our resources but keeps them for our children and our children's children. That is much the way in which native people speak of developing resources. This is the western liberal technological equivalent to the native holistic view of being at home with the forest and the land and keeping them for their children. The same thing is luckily and finally happening here for us and it may be the key to saving this planet.

Given that broad definition of sustainable development, I asked people whether we could find any existing government programs which fit into it. We found one program, and that says a lot for what past and present governments have done. The program we found was the Fish Habitat Program developed during Mr. Speaker Fraser's tenure as Environment Minister, I am pleased to say. That program provides for the replacement of fish habitat that is destroyed by a construction project.

For example, let's say you were going to add a runway to the airport in Vancouver. You would have to prove, first, that that is a productive construction approach, that it would add to our productivity. One could easily make that argument, two runways would contribute to more economic development and so on.

The second aspect is that you have to replace the fish habitat. If the runway goes into the Fraser River, for example, you would have to find alternate habitats. The development would have to be sustainable to the surrounding environment, specifically the fish habitat. That is an example of sustainable development. The developers may have to find more fish habitat in another part of the river and develop it. That is the only program we could find, of all the programs of the federal Government. That says a lot, doesn't it?

The second point I would like to raise is that we need some way of measuring sustainable development. It is all very well to say that the Minister shall develop, implement and promote national policies to foster economic development that is environmentally sustainable. How do you measure it? Well, that can be done as well. I understand that there are some people in the World Bank working on new ways of measuring sustainable development. In the 1930s we had to invent new ways of looking at the world when Keynesian economics came along and so on. They invented Gross National Product. As an example, Canada's GNP grew by 5 per cent last year, our goods and services. Had we cut down and logged all the trees in Canada, our Gross National Product might have grown by 9 per cent, but we would have lost the trees so we would not really have made progress. Certainly that development would not be sustainable. I understand that they are working on a measurement to measure sustainable development.

• (1730)

That will mean we have to do an inventory of all our resources. Then we will have to measure how much we use them without replacing them. This is going to be a very interesting figure. We will be able to set targets. We can set a target for the year 2050, or a target for the year 2080 or whatever. We can tell whether we are doing development that is sustainable on our planet or whether we are losing the resources of our planet.

I think I have spoken enough on this. I just find it a fascinating, interesting area for all of us in the House. It is an area which is hard to define. It is worth supporting this motion. However, let us not kid ourselves, we still have a lot of work to do. It is all very well to say that yes, we develop, implement and promote national policies to foster economic development that is environmentally sustainable. We have a lot of work to do to define what that is, project by project and inventory by inventory of every part and every sector in the economy from forest to fish to minerals and so on.

We have just taken, as one Chinese politician once said, the first step in a march of a million miles. It is going to be a long march to get to what we actually mean by sustainable development. At least this is a start.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I think it is particularly appropriate that we are speaking about this particular amendment to Bill C–23 on the same day that we have been dealing with the amendment in respect of the Canadian Environmental Protection Act.

As has been very ably pointed out by my colleagues, the Member for Ottawa South (Mr. Manley), the Member for Ottawa West (Mrs. Catterall) and the Member for Davenport (Mr. Caccia), the amendment which has been proposed by my colleague is in keeping with the spirit of sustainable development which we thought was launched by Brundtland and was embraced by the Prime Minister (Mr. Mulroney). No less than the Prime Minister. We heard the Prime Minister in the House vaunting the work of Gro Harlem Brundtland and vaunting it to the point where he was very pleased to have accepted the award which he took in Washington, et cetera. This is the first time that outside of the context of the Environment Committee we have an opportunity at a departmental level to incorporate in the *raison d'Être* of a newly established Department. We have the capacity to build in the implementation and promotion of national policies to foster economic development which is environmentally sustainable.

Anybody who took the time to read our common future would understand that for any minimal accomplishment of sustainable development it has to be applied across the board in various Departments. I cannot believe the statement of the Minister, who stated that: "So regarding adding that clause, this is the clause that has been proposed with respect to sustainable development. The recommendation simply does not fit directly with this Department. I suggest we have a cleaner"—it is a rather Freudian point, Mr. Speaker—"more reasonable approach to things, leaving the responsibility for the environment with that Department."

Surely, the whole purpose of the Brundtland report was to wake up the world to the fact that we cannot departmentalize environmental questions. The question of sustainable development must permeate every decision made by the Government insofar as where we promote industry, where we develop our science policy and where we in fact spend the money that would lead to a policy of industry, science and technology.

In this particular case, we are repealing the Department of Regional Industrial Expansion Act. We are basically saying where we are going to put our financial clout over the next number of years. That decision cannot be made in a vacuum, without putting the environmental questions in context.

Every single thing which we do in this House of Commons, and every single Act which is carried out by Parliament has a potential environmental impact.

Next week, July 1, is Canada Day. At this point, the National Capital Commission, which is responsible for the promotion of Canada Day activities on Parliament Hill, will be committing environmental folly by releasing 10,000 balloons into the environment.

The Province of Nova Scotia has already banned the release of balloons because they recognize that the effect of a burst balloon on the ecosystem is such that when, for example, fish, sea whales, sea turtles and whales eat rubber, which is the product of the burst balloons, they can actually have their normal eating habits impaired because they think they are full when they have basically swallowed a piece of a balloon. It sounds somewhat comical, Mr. Speaker, but it is a reflection that every decision which we make, whether it is as minor as organizing a celebration to release balloons on Parliament Hill, or as major as a decision to proceed with the hydroelectric project cannot be taken without environmental consideration.

I have here in my hand a copy of the hydroelectric resistance program which was produced by the Grand Council of the Crees of Quebec. It is a voluminous document. It points out the crying need for a federal environmental assessment in respect of a potential decision to proceed with a second phase of the development of the hydroelectric project on James Bay.

In fact, this particular Department, the Department which we are about to launch, oftentimes the Department of Industry, Science and Technology will put forward financial backing for these types of projects. Whether it be financial backing by way of an interest–free loan to Lavalin to go off and develop a light rapid transit system in a Third World country, or whether it be in relation to a specific regional development project in Canada, there are potentially environmental implications.

If we look at the specific decision now, for example, in the Province of Nova Scotia, to proceed with a new technology for the extraction of energy from coal, that again involves environmental implications.

The amendment which was moved by my colleague, the Member for Ottawa South and supported, I might add, by a Conservative Member of Parliament who recognizes that it simply embraces and endorses all of the promotion of the environment which we have been talking about since the arrival of Brundtland, surely any Member in his or her right mind who would not support this motion cannot call themselves an environmentalist. I heard the—

[*Translation*]

—the Hon. Member for Gaspé (Mr. Marin) this afternoon, when we were talking about protecting the environment, accused me of being a politician, of playing petty politics with the environment. He accused me of petty politics. Today, Mr. Speaker, we have a bill and a motion that can be supported by all Members. All we ask, Mr. Speaker, is to include the comment made by Mrs. Brundtland. The Prime Minister talks a lot about Brundtland. He is crazy about Brundtland. All we ask is to have the legislation reflect the Brundtland proposals, in other words, when we create the Department of Industry, Science and Technology, we recognize the fact that the department's terms of reference should include to develop, implement and promote national policies to foster economic development that is environmentally sustainable. How can anyone argue against this amendment? If we want to be known as environmentalists who do not play petty politics with the environment, then we have no choice but to vote for this very effective, very short and very sustainable amendment moved by the Hon. Member for Ottawa—South (Mr. Manley).

• (1740)

Instead of pointing the accusing finger and saying that Members are playing politics, I wish Hon. Members would realize that Canadians are sick and tired of politicians who talk about policies but are not prepared to put those same words in the Bill and the legislation.

Mr. Speaker, do I have a little more time or just ten seconds?

We all know that this Bill, this amendment is an opportunity to incorporate, not just the environmental spirit but also the Kind of legislation that will protect us. If we do not take advantage of this opportunity, Mr. Speaker, I think we can safely say that to the Conservatives, the environment is just a word that has no meaning as far as the legislation is concerned.

[*English*]

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

Pursuant to Standing Order 76(8) the recorded division on Motion No. 4 stands deferred.

Mr. Steven W. Langdon (Essex—Windsor) moved:

Motion No. 6:

That Bill C-3 be amended by deleting Clause 23.

He said: Mr. Speaker, I had hoped that it would not be necessary to move this amendment. But, in the absence of willingness on the part of the Government to reflect the important national role this particular Department should have with respect to regional development and to regional equity across this country, my only option is to suggest that we do not repeal the Department of Regional Industrial Expansion Act but keep the Department in place.

I want to make two points with respect to this Bill in front of us now to establish the Department of Industry, Science and Technology which represents a further step in the process of this country turning its back on equitable regional development. I think that it is an extremely unfortunate set of steps that we have taken.

If we go back to the Department of Regional Economic Expansion, there we had a ministry which had as its single and sole purpose the expansion of regional development throughout this country. That was something we, in this Party, have always seen as an essential commitment that Ottawa should be making to all of the people of this country, a commitment which also should be made by the provinces. DREE itself was done away with. Then we had the establishment of DRIE, the Department of Regional Industrial Expansion. Within DRIE we had two functions together. We had the function of industrial development for the entire country and we had the function of regional development for the country as a whole put together.

There was some serious difficulty in trying to mesh these two differing functions together within one ministry. It functioned and it operated within two separate sections of the ministry. One section dealt with industrial development and the other dealt with regional development. With this Bill we have the elimination of any national commitment to regional development within our country. If this Bill is passed as it stands there will not be a single ministry within this Government that has the commitment to see that there is fairness and equal opportunity in different regions within Canada.

If we were Luxemburg, even The Netherlands, or Switzerland, this might not be something for us to be concerned about but we are not. We are an incredibly large diverse country with remarkable differences in terms of the economic base of livelihood from which people start.

An exciting thing about being a Member of Parliament is the chance to see many different parts of our country. It is both exciting and stimulating, but it is also terribly distressing to see in central British Columbia, for instance, unemployment rates of 15 per cent, 16 per cent and 17 per cent, to see in northern Saskatchewan unemployment rates of 13 per cent, 14 per cent and 15 per cent, to see in parts of northern Ontario unemployment rates of a similar magnitude and to see in Atlantic Canada, especially in parts of Atlantic Canada, unemployment rates that are at real levels once you take into account where people really stand with regard to the labour force. Real unemployment rates are often over 50 per cent.

People from Newcastle, New Brunswick have told me of unemployment rates in their part of the country in real terms that reach over 50 per cent. The same is true in parts of the outports of Newfoundland. In fact, there are parts of Newfoundland where one finds unemployment rates in which the percentage of people who are at work is significantly less than the percentage of people who would like to be within the work force. One can see the same thing in other parts of Atlantic Canada.

• (1750)

[*Translation*]

We see the same thing happening in the Province of Québec. In some parts of Québec the unemployment rate is far too high for a developed country like ours.

In the Eastern Townships, for instance, in the textile and clothing sectors, the unemployment rate can be as high as 30 or 35 per cent.

What we are seeing, Mr. Speaker, is not just unacceptably high levels of unemployment, we are seeing a situation where many workers cannot find jobs, and as result, they decide that they better stay home because there are no jobs available.

[*English*]

That is the reality of regional disadvantages which exist in parts of Canada. Since the Government has not been prepared to bring amendments to this Bill, amendments which would give the Department some responsibility to co-ordinate and work toward regional fairness, it is necessary to keep the Regional Industrial Expansion Act as it presently stands.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 6 standing in the name of the Hon. Member for Essex-Windsor (Mr. Langdon). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more that five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 76(8), the recorded division on the proposed motion stands deferred.

The House will now proceed to the taking of the deferred divisions at the report stage of the Bill now before the House. Call in the Members.

• (1820)

And the division bells having rung:

The Acting Speaker (Mr. Paproski): The question is on Motion No. 3, standing in the name of the Hon. Member for Calgary Northeast (Mr Kindy).

The House divided on the motion, which was negatived on the following division:

(*Division No. 43*)

YEAS

Members

Allmand	Althouse
Anawak	Angus
Arseneault	Assad
Axworthy (Saskatoon—Clark's Crossing)	Axworthy (Winnipeg South Centre)
Baker	Benjamin
Black	Blackburn (Brant)
Blondin	Boudria
Brewin	Caccia
Campbell (South West Nova)	Catterall
Clancy	Comuzzi
Crawford	Dingwall
Dionne	Duhamel
Ferguson	Finestone
Fisher	Flis
Fontana	Foster
Gaffney	Gagliano
Gardiner	Gauthier
Grey (Beaver River)	Harvey (Edmonton East)
Heap	Hopkins
Hovdebo	Hunter
Jordan	Kaplan
Karpoff	Keyes
Kindy	Kristiansen
Langan (Mission—Coquitlam)	Langdon (Essex—Windsor)
Laporte	LeBlanc (Cape Breton Highlands—Canso)
Lee	MacAulay
MacLaren	MacLellan
Malépart	Manley
Marleau	McCurdy
McGuire	McLaughlin
Mifflin	Milliken
Mills	Mitchell
Murphy	Nunziata
Nystrom	Ouellet
Parent	Parker
Peterson	Phinney
Pickard	Proud
Prud'homme	Rideout
Riis	Robichaud
Robinson	Rodriguez
Rompkey	Samson
Simmons	Skelly (Comox—Alberni)
Speller	Stewart
Stupich	Taylor
Tobin	Waddell
Wappel	Whittaker
Wood—93	

NAYS

Members

Anderson	Andre
Atkinson	Attewell
Beatty	Belsher
Bernier	Bertrand
Bird	Bjornson
Blackburn (Jonquière)	Blais
Blenkarn	Bouchard (Lac-Saint-Jean)
Boyer	Brightwell
Browes	Campbell (Vancouver Centre)
Casey	Chadwick
Champagne (Champlain)	Charest
Clark (Brandon—Souris)	Clifford
Cole	Collins
Cook	Cooper
Corbeil	Corbett
Côté	Couture
Crosbie (St. John's West)	Crosby (Halifax West)
Darling	DeBlois
de Cotret	Desjardins
Dick	Dobbie
Domm	Dorin
Duplessis	Epp
Fee	Feltham
Ferland	Fontaine
Friesen	Gérin
Gibeau	Gray (Bonaventure—Îles-de-la-Madeleine)
Gustafson	Harvey (Chicoutimi)
Hicks	Hogue
Holtmann	Horner
Horning	Hudon
Hughes	Jelinek
Johnson	Jourdenais
Kempling	Koury
Langlois	Larrivée
Layton	Leblanc (Longueuil)
Lewis	Littlechild
Loiselle	Lopez
MacDonald (Rosedale)	MacDougall (Timiskaming)
MacKay	Malone
Marin	Martin (Lincoln)
Mayer	McDermid
McDougall (St. Paul's)	McLean
Merrithew	Monteith
Nicholson	Nowlan
Oberle	O'Kurley
Plamondon	Plourde
Porter	Pronovost
Reid	Reimer
Ricard	Richardson
Roy-Arcelin	St-Julien
Scott (Victoria—Haliburton)	Scott (Hamilton—Wentworth)
Shields	Siddon
Sobeski	Soetens
Sparrow	Stevenson
Tardif	Tétreault
Thompson	Thorkelson
Tremblay (Rosemont)	Tremblay (Québec-Est)
Tremblay (Lotbinière)	Turner (Halton—Peel)
Valcourt	Van de Walle
Vankoughnet	Venne
Vézina	Vincent
Weiner	Wenman
White	Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wilson (Etobicoke Centre)	Worthy—129

• (1830)

The Acting Speaker (Mr. Paproski): I declare the motion lost.

Mr. Gauthier: Mr. Speaker, I think you would find consent at least from the majority of the Members—I do not know; I cannot speak for the Member for Calgary Northeast, but I can certainly speak for this caucus—to apply the result of the vote just taken to the next motions, if you insist, in reverse.

Mr. Kindy: Mr. Speaker, I would like my name to stand. I am voting in favour of the motion of the Hon. Member for Ottawa South.

The Acting Speaker (Mr. Paproski): Does the House agree that the division just taken can be so recorded?

Mr. Lewis: Mr. Speaker, in the application of the votes I am not sure that the words "in reverse" would apply to any of the votes on the motions. That would perhaps apply when one gets to concurrence in report stage but not at the motion stage since the Government is not prepared to accept any of the motions.

Mr. Tobin: Mr. Speaker, I would like the guidance of the Chair. Members on this side have noted a very serious matter to which we would want to draw the attention of the Chair, that is, that the Minister of the Environment has been straining to get to his feet and has been stopped by the Minister of Employment and Immigration. We suspect that he wants to vote for an amendment on sustainable development.

The Acting Speaker (Mr. Paproski): Does the House agree that the division just taken will be recorded as applying to the remaining motions?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): Accordingly the next vote is on Motion No. 4, standing in the name the Hon. Member for Ottawa South.

The House divided on the motion, which was negatived on the following division:

(Division No. 44)

YEAS

Members

Allmand
Anawak
Arseneault
Axworthy (Saskatoon—Clark's Crossing)
Baker
Black
Blondin
Brewin
Campbell (South West Nova)
Clancy
Crawford
Dionne
Ferguson
Fisher
Fontana
Althouse
Angus
Assad
Axworthy (Winnipeg South Centre)
Benjamin
Blackburn (Brant)
Boudria
Caccia
Catterall
Comuzzi
Dingwall
Duhamel
Finestone
Flis
Foster
Gaffney
Gardiner
Grey (Beaver River)
Heap
Hovdebo
Jordan
Karpoff
Kindy
Langan (Mission—Coquitlam)
Laporte
Lee
MacLaren
Malépart
Marleau
McGuire
Mifflin
Mills
Murphy
Nystrom
Parent
Peterson
Pickard
Prud'homme
Riis
Robinson
Rompkey
Simmons
Speller
Stupich
Tobin
Wappel
Wood—93
Gagliano
Gauthier
Harvey (Edmonton East)
Hopkins
Hunter
Kaplan
Keyes
Kristiansen
Langdon (Essex—Windsor)
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
MacLellan
Manley
McCurdy
McLaughlin
Milliken
Mitchell
Nunziata
Ouellet
Parker
Phinney
Proud
Rideout
Robichaud
Rodriguez
Samson
Skelly (Comox—Alberni)
Stewart
Taylor
Waddell
Whittaker

NAYS

Members

Anderson
Atkinson
Beatty
Bernier
Bird
Blackburn (Jonquière)
Blenkarn
Boyer
Browes
Casey
Champagne (Champlain)
Clark (Brandon—Souris)
Cole
Cook
Corbeil
Côté
Crosbie (St. John's West)
Darling
de Cotret
Dick
Domm
Duplessis
Fee
Ferland
Friesen
Gibeau
Gustafson
Hicks
Holtmann
Horning
Hughes
Johnson
Kempling
Langlois
Layton
Lewis
Loiselle
MacDonald (Rosedale)
MacKay
Marin
Mayer
McDougall (St. Paul's)
Andre
Attewell
Belsher
Bertrand
Bjornson
Blais
Bouchard (Lac-Saint-Jean)
Brightwell
Campbell (Vancouver Centre)
Chadwick
Charest
Clifford
Collins
Cooper
Corbett
Couture
Crosby (Halifax West)
DeBlois
Desjardins
Dobbie
Dorin
Epp
Feltham
Fontaine
Gérin
Gray (Bonaventure—Îles-de-la-Madeleine)
Harvey (Chicoutimi)
Hogue
Horner
Hudon
Jelinek
Jourdenais
Koury
Larrivée
Leblanc (Longueuil)
Littlechild
Lopez
MacDougall (Timiskaming)
Malone
Martin (Lincoln)
McDermid
McLean

Merrithew
Nicholson
Oberle
Plamondon
Porter
Reid
Ricard
Roy-Arcelin
Scott (Victoria—Haliburton)
Shields
Sobeski
Sparrow
Tardif
Thompson
Tremblay (Rosemont)
Tremblay (Lotbinière)
Valcourt
Vankoughnet
Vézina
Weiner
White
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Monteith
Nowlan
O'Kurley
Plourde
Pronovost
Reimer
Richardson
St-Julien
Scott (Hamilton—Wentworth)
Siddon
Soetens
Stevenson
Tétreault
Thorkelson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Van de Walle
Venne
Vincent
Wenman
Wilbee
Worthy—129

The Acting Speaker (Mr. Paproski): I declare the motion lost.

The next vote is on Motion No. 6, standing in the name of the Hon. Member for Essex—Windsor.

The House divided on the motion, which was negatived on the following division:

(*Division No. 45*)

YEAS

Members

Allmand
Anawak
Arseneault
Axworthy (Saskatoon—Clark's Crossing)
Baker
Black
Blondin
Brewin
Campbell (South West Nova)
Clancy
Crawford
Dionne
Ferguson
Fisher
Fontana
Gaffney
Gardiner
Grey (Beaver River)
Heap
Hovdebo
Jordan
Karpoff
Kristiansen
Langdon (Essex—Windsor)
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
MacLellan
Manley
McCurdy
McLaughlin
Milliken
Mitchell
Nunziata
Ouellet
Parker
Phinney
Proud
Rideout
Robichaud
Rodriguez
Althouse
Angus
Assad
Axworthy (Winnipeg South Centre)
Benjamin
Blackburn (Brant)
Boudria
Caccia
Catterall
Comuzzi
Dingwall
Duhamel
Finestone
Flis
Foster
Gagliano
Gauthier
Harvey (Edmonton East)
Hopkins
Hunter
Kaplan
Keyes
Langan (Mission—Coquitlam)
Laporte
Lee
MacLaren
Malépart
Marleau
McGuire
Mifflin
Mills
Murphy
Nystrom
Parent
Peterson
Pickard
Prud'homme
Riis
Robinson
Rompkey
Samson
Skelly (Comox—Alberni)
Stewart
Taylor
Waddell
Whittaker
Simmons
Speller
Stupich
Tobin
Wappel
Wood—92

NAYS

Members

Anderson
Atkinson
Beatty
Bernier
Bird
Blackburn (Jonquière)
Blenkarn
Boyer
Browes
Casey
Champagne (Champlain)
Clark (Brandon—Souris)
Cole
Cook
Corbeil
Côté
Crosbie (St. John's West)
Darling
de Cotret
Dick
Domm
Duplessis
Fee
Ferland
Friesen
Gibeau
Gustafson
Hicks
Holtmann
Horning
Hughes
Johnson
Kempling
Langlois
Layton
Lewis
Loiselle
MacDonald (Rosedale)
MacKay
Marin
Mayer
McDougall (St. Paul's)
Merrithew
Nicholson
Oberle
Plamondon
Porter
Reid
Ricard
Roy-Arcelin
Scott (Victoria—Haliburton)
Shields
Sobeski
Sparrow
Tardif
Thompson
Tremblay (Rosemont)
Tremblay (Lotbinière)
Valcourt
Vankoughnet
Vézina
Weiner
White
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Andre
Attewell
Belsher
Bertrand
Bjornson
Blais
Bouchard (Lac-Saint-Jean)
Brightwell
Campbell (Vancouver Centre)
Chadwick
Charest
Clifford
Collins
Cooper
Corbett
Couture
Crosby (Halifax West)
DeBlois
Desjardins
Dobbie
Dorin
Epp
Feltham
Fontaine
Gérin
Gray (Bonaventure—Îles-de-la-Madeleine)
Harvey (Chicoutimi)
Hogue
Horner
Hudon
Jelinek
Jourdenais
Koury
Larrivée
Leblanc (Longueuil)
Littlechild
Lopez
MacDougall (Timiskaming)
Malone
Martin (Lincoln)
McDermid
McLean
Monteith
Nowlan
O'Kurley
Plourde
Pronovost
Reimer
Richardson
St-Julien
Scott (Hamilton—Wentworth)
Siddon
Soetens
Stevenson
Tétreault
Thorkelson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Van de Walle
Venne
Vincent
Wenman
Wilbee
Worthy—129

The Acting Speaker (Mr. Paproski): I declare the motion lost.

Is it also agreed that the division just taken will be applied in reverse to the motion for concurrence in the Bill at report stage?

Some Hon. Members: Agreed.

Mr. Kindy: I am abstaining on Motion No. 6, standing in the name of the Hon. Member for Essex—Windsor.

Mr. Lewis (for the Prime Minister) moved that the Bill, as amended, be concurred in.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 46*)

YEAS

Members

Anderson
Atkinson
Beatty
Bernier
Bird
Blackburn (Jonquière)
Blenkarn
Boyer
Browes
Casey
Champagne (Champlain)
Clark (Brandon—Souris)
Cole
Cook
Corbeil
Côté
Crosbie (St. John's West)
Darling
de Cotret
Dick
Domm
Duplessis
Fee
Ferland
Friesen
Gibeau
Gustafson
Hicks
Holtmann
Horning
Hughes
Johnson
Kempling
Langlois
Layton
Lewis
Loiselle
MacDonald (Rosedale)
MacKay
Marin
Mayer
McDougall (St. Paul's)
Merrithew
Nicholson
Oberle
Plamondon
Porter
Reid
Ricard
Roy-Arcelin
Scott (Victoria—Haliburton)
Andre
Attewell
Belsher
Bertrand
Bjornson
Blais
Bouchard (Lac-Saint-Jean)
Brightwell
Campbell (Vancouver Centre)
Chadwick
Charest
Clifford
Collins
Cooper
Corbett
Couture
Crosby (Halifax West)
DeBlois
Desjardins
Dobbie
Dorin
Epp
Feltham
Fontaine
Gérin
Gray (Bonaventure—Îles-de-la-Madeleine)
Harvey (Chicoutimi)
Hogue
Horner
Hudon
Jelinek
Jourdenais
Koury
Larrivée
Leblanc (Longueuil)
Littlechild
Lopez
MacDougall (Timiskaming)
Malone
Martin (Lincoln)
McDermid
McLean
Monteith
Nowlan
O'Kurley
Plourde
Pronovost
Reimer
Richardson
St-Julien
Scott (Hamilton—Wentworth)
Shields
Sobeski
Sparrow
Tardif
Thompson
Tremblay (Rosemont)
Tremblay (Lotbinière)
Valcourt
Vankoughnet
Vézina
Weiner
White
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Siddon
Soetens
Stevenson
Tétreault
Thorkelson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Van de Walle
Venne
Vincent
Wenman
Wilbee
Worthy—129

NAYS

Members

Allmand
Anawak
Arseneault
Axworthy (Saskatoon—Clark's Crossing)
Baker
Black
Blondin
Brewin
Campbell (South West Nova)
Clancy
Crawford
Dionne
Ferguson
Fisher
Fontana
Gaffney
Gardiner
Grey (Beaver River)
Heap
Hovdebo
Jordan
Karpoff
Kristiansen
Langdon (Essex—Windsor)
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
MacLellan
Manley
McCurdy
McLaughlin
Milliken
Mitchell
Nunziata
Ouellet
Parker
Phinney
Proud
Rideout
Robichaud
Rodriguez
Samson
Skelly (Comox—Alberni)
Stewart
Taylor
Waddell
Whittaker
Althouse
Angus
Assad
Axworthy (Winnipeg South Centre)
Benjamin
Blackburn (Brant)
Boudria
Caccia
Catterall
Comuzzi
Dingwall
Duhamel
Finestone
Flis
Foster
Gagliano
Gauthier
Harvey (Edmonton East)
Hopkins
Hunter
Kaplan
Keyes
Langan (Mission—Coquitlam)
Laporte
Lee
MacLaren
Malépart
Marleau
McGuire
Mifflin
Mills
Murphy
Nystrom
Parent
Peterson
Pickard
Prud'homme
Riis
Robinson
Rompkey
Simmons
Speller
Stupich
Tobin
Wappel
Wood—92

The Acting Speaker (Mr. Paproski): I declare the motion carried.

It being 6.40 p.m., pursuant to Order made June 13, 1989, the House will now proceed to consideration of Private Members' Business as listed on today's Order Paper.

Mr. Lewis: Mr. Speaker, I rise on a point of order. The Government appreciates that should we go to a Private Members' Hour now there would only be 20 minutes for the Private Members' Hour.

In order that the matter before the House has a full opportunity for debate, we would suggest that there be one full hour for Private Members' Hour and that Orders of the Day be called again at 7.40 p.m.

The Acting Speaker (Mr. Paproski): Is that agreed?

Some Hon. Members: Agreed.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

TRANSFER PAYMENTS

POST-SECONDARY EDUCATION

Mr. Howard McCurdy (Windsor—Lake St. Clair) moved:

That, in the opinion of this House, the government should restore funds cut from federal transfer payments to the provinces for post-secondary education and complete an agreement with the provinces to provide assured levels of funding commensurate with the increased costs of universities' operations and the need to enhance the availability of resourceful humans for economic development and full employment.

He said: Mr. Speaker, it has become almost trite these days to observe that Canada, for a force, must shift from a resource based economy to a knowledge based economy if it is to compete in the new economic circumstances that exist in the world. It has been said, and it is true, that we can no longer depend upon our forests, our land, our minerals, and the fish from the sea to sustain this modern nation in present circumstances.

This was an observation that underscored a remark made by the Prime Minister back in 1983, which I can merely paraphrase. He said that if there was not a dramatic improvement in Canada's performance in the area of research and development, Canada would play in the minor leagues of the competition in this world in economic terms. Just yesterday the Prime Minister made a similar remark. He said:

> Either we meet the challenge of competitiveness and ride the crest of the technology wave into the 21st century or we exhaust ourselves in the rip-tide of history, fading inexorably backwards.

So far all we have managed is to be inundated with rhetoric while there exists a virtual drought in action. The Prime Minister, I note, made another remark. He said that a recent survey of 13 countries ranked Canadian high school students eleventh in biology, eleventh in physics, and twelfth in chemistry, "the very subjects on which the knowledge industry depends".

I suggest to you, Mr. Speaker, that the deplorable performance of our high school students cited by the Prime Minister is really a reflection of the quality and the character of the teachers that we are producing in universities which have fallen into a disgraceful state.

Right now in this country we are spending something in the order of $13,000 on an average per student while in the United States the average expenditure per student is $20,000. That is an average. Canadians recognize, as a matter of fact Canadians consistently observe that the quality of education in the United States is so much worse than ours. This is just a recognition that there are some states, Mississippi, Alabama and so on, in which the quality of post-secondary education or education at any level does not meet the quality which we think exists in Canada. The fact is, Mr. Speaker, that those figures which I cited are averages. In fact, in some states of the United States four to five times as much money is spent per student as is spent in Canada.

Beginning just after World War II the federal Government began to provide financing for post-secondary education in the forms of grants to veterans. Then in the year 1966 or 1967 the federal Government entered into an agreement with the provinces to provide 50-50 sharing for the funding of post-secondary education. This worked out quite well, and I think that many of us in this House will recall that this was the most significant period in terms of developing accessibility and building the university and college system in Canada. These were halcyon days from 1967 until 1977.

In 1977 the then Liberal Government negotiated with the provinces something which is still called Established Programs Financing that covers transfers to the provinces for both health and post-secondary education. Subsequently legislation has been passed which assures that those portions of EPF which are allocated to health indeed go to health. However, since 1977 there has been

no assurance that funds provided by the federal Government for post-secondary education indeed go to post-secondary education and that those funds are matched in any way by the provinces.

The situation as it has evolved since then is such that the vast bulk of the cost of post-secondary education, both in colleges and universities, is paid for by the federal Government. It is notable in that context that only the Province of Quebec matches the federal contribution for post-secondary education on the 50-50 basis which characterized the decade after 1967.

Not only has there not been an equivalent contribution from the provinces, there have been cut-backs in the amounts transferred from the federal Government to the provincial Government for post-secondary education.

Mr. Friesen: Be careful how you say it.

Mr. McCurdy: This has occurred as a result of decisions taken by both the Liberal Government and the Conservative Government. I know that to resort to history on this is bothersome, but let us understand what we are talking about here. The undertaking in 1977 was that the growth in post-secondary education transfer payments from the federal Government were to grow in the same measure, based on three-year averaging, as the growth in the Gross Domestic Product. That applied to health transfers and to transfers for post-secondary education.

In 1982-83 the Liberal Government imposed the 6 per cent and 5 per cent rule, which was broadly applied to wages and so on, to be transferred to post-secondary education costing the system something in the order of $400 million over that period of time. Then in 1986 the Conservative Government, arguing as my colleague across the way just did, did not cut post-secondary education by $1.6 billion from the period from 1986 to 1991. It just cut the expectations of the system by $1.6 billion in respect to post-secondary education.

We know that those on the other side will use whatever semantic arguments they may choose to try to convince themselves of the obvious, that is, that the undertaking made by the federal Government to the provinces, to post-secondary education, and to the youth of this country was reneged upon.

• (1850)

As if it were not enough, even as every significant examiner of the situation in this country with respect to post-secondary education said that there was going to have to be an increase in expenditures, this Government has proceeded in the last Budget to impose yet further cuts, which beginning in 1991 will accumulate over the next five years an additional cut of $1 billion in transfer payments for post-secondary education.

My colleague across the way will say: "Oh, well we didn't cut; we are just not going to give them as much". When we have a system which between 1977 and 1987 occasioned a real decrease in real dollars of 10 per cent while student enrolment rose by 30 per cent, I put it to you, Mr. Speaker, that is a cut. It certainly is a failure to fulfil a promise. It is a failure to respond to the needs in this country which everyone by now recognizes.

It is an absolute outrage that in a period of time when this country should be developing the means to respond to the demands of an international knowledge based industry the Government should be cutting expenditures for post-secondary education, while at the same time refusing to increase expenditures for research and development.

There are classes in our universities with as many as 5,000 students. There are seminars which are supposed to be for small groups, intimate, close, and Socratic in which as many as 50 students are expected to benefit from the intimate examination of knowledge and are intended to learn.

There is not a criterion of economic success with respect to the knowledge based economy in which we do not finish last or near last. Every institution, every commission, every committee within this House, at the federal level, at the provincial level, or anywhere has recognized that there is going to have to be a change. There are going to have to be substantial increases in expenditures for post-secondary education and the mess that exists at this time, in which the federal Government and the provincial Governments dispute how much of a share each is paying, has to end.

It has to end. If it does not end, we are going to deny not only our future prospects for economic growth but opportunity to thousands of students who want nothing else but the opportunity to build a particular vision of Canada which is not borrowed from elsewhere.

What is the solution to this? The solution has been clear. It has been debated repeatedly in this House. It has been debated in the Committee on Science and Technology. It has been debated in the Committee of the Secretary of State. It has been debated in the Senate. It has been considered by the National Advisory Board for Science and Technology. It has been considered by the Bovey report. It has been considered by the Al Johnson report. It has been considered by so many people that even this Government ought to be able to understand what is necessary.

What is necessary is for the urgent call of a First Ministers Conference. They should not be allowed out of a locked room until they have agreed on a basis for the shared funding of post-secondary education which will ensure that both levels pay their share. Nothing else will do. We can no longer burden ourselves with petty jurisdictional disputes while our country and our youth suffer. They are suffering now, and they will suffer yet more. To suggest that the burden of a deficit is going to be an overwhelming burden is ridiculous as compared to the kind of burden which will be their inheritance if we do not begin to catch up.

It is impertinent nonsense for the Prime Minister to condemn our schools for their failure to produce the level of literacy in science, as he did, while at the same time refuse to do what is necessary and to fulfil the promise he has made.

When we stand before you, Mr. Speaker, to support this motion, it is very simple and very clear. The funds which this Government has cut should be restored. The deficit and the allocation of funds to post-secondary institutions will breed a deficit so huge in the future, an intellectual deficit, an economic deficit, and a deficit in jobs, that it will be far more serious than a self-created deficit which this Government seeks to defend at odds with itself, as it has continued to do.

Second, in recognizing the mutual responsibility of both the federal and provincial Governments, they should, as I said before, through the calling of a First Ministers Conference come to an immediate resolution of this issue. Otherwise the future will look, indeed, as if this country in the economic league will be playing not Class C but sand lot.

An Hon. Member: Bush league.

Mr. McCurdy: Bush league is too high for what will result from the continued travel along this route. Let me say another thing which is not contained in this motion but which I think is necessary. This country has no policy focus with respect to any level of education.

I do not think that there is anyone who does not understand that there is something wrong when one-quarter of our population is functionally illiterate. This does not reflect the role of universities. This reflects the role of the elementary and secondary institutions. All need some policy focus. All need initiatives which will relate the nature of our curriculum at the lower levels and the functions of the institutions at the higher levels with our economic priorities, as well as our social priorities. This is a country in which the economic imperatives do not outweigh and ought not to outweigh the social imperatives. We should develop the necessary models without encroaching upon particular jurisdictions which will permit our institutions of education at all levels to provide the kind of knowledge that will enable all Canadians to exercise the kinds of creativity and the intelligence of which Canadians given the opportunity are capable so that we will be seen as not only an economic success but a social success and a model for the world. It is almost too late.

I know, Mr. Speaker, by the way in which you are posing your hands that you are concerned and anxious for the Government to get on with it. I am sure that you are waiting to hear a positive response with respect to the required initiatives.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I was listening to the Hon. Member for the New Democratic Party, and what struck me in nearly all the speeches by Opposition Members, whether they represent the New Democratic Party or the Liberal Party of Canada, what struck me was the constant and increasing demand for money, without considering the broader context of our national economy. Money is needed for post-secondary education, for the provinces, for this and for that, but no one bothers to consider this country's main problem, and that problem is what we refer to as the national debt and the deficit. Mr. Speaker, as you know, our national debt has now reached $320 billion. This year, the annual deficit will increase by an additional $6 billion because of rising interest rates. However, since 1984, the Progressive Conservative Party has done a tremendous job of controlling and dealing with our national debt. In 1984, the debt increased 24 per cent. In 1989, we have managed to keep the increase down to 10 per cent. Even at that, we

still have this national debt which is increasing and we have a deficit that is still too high. We hope, and I believe we have taken the necessary steps to bring the deficit down to approximately $16 billion by 1993-94.

• (1900)

The last Budget, like all other Budgets, was a serious exercise in restraint, and I think the Minister of Finance is to be commended. We managed to reduce spending and programs, and we raised income tax and certain other taxes so that this year, the Government will be able to collect $5 billion and next year, an additional $9 billion, which will be used to reduce our annual deficit and control our national debt, a process that is already underway.

Mr. Speaker, when we consider the specific issue the Hon. Member was discussing this evening, and I am referring to transfer payments to the provinces, there are, in fact, two distinct types of payments. I am referring to equalization payments and so-called established programs financing. As you know, Mr. Speaker, equalization payments are made to certain provinces on the basis of their revenues and according to a pre-established formula. The April Budget in no way interfered with equalization payments. We are not decreasing the amount allocated for established program financing, but we are reducing the percentage increase, which is something else. As a result, established program financing in 1988-89 was $18.7 billion; in 1989-90, it is $19.8 billion; and in 1990-91, it will be $20.8 billion. So we see that the annual amount of established program financing given by the federal Government to the provinces is increasing. We only reduced the percentage increase. Equalization payments in 1988-89 were $6.9 billion; in 1989-90, they are $7.3 billion; and in 1990-91, they will be almost $7 billion. Once again, Mr. Speaker, you see the annual increase provided.

I will go further, Mr. Speaker. Perhaps the best way to look at how the Canadian Government operates is in percentage terms. For 1989-90, we will spend—the Canadian Government will spend $103.5 billion; 10 per cent of that is grants for businesses; 10.8 per cent is for national defence; 4.6 per cent is for Crown corporations; 2.4 per cent is aid for developing countries; 31.5 per cent is for individual Canadians, for old age security, etc.; and 23.2 per cent is for the provinces, which means that 23.2 per cent of the money spent by the Canadian Government goes to the provinces in cash. And to that, I must add $10.5 billion in fiscal transfers. A total of $34.4 billion annually goes from the federal Government, the Government of Canada, to the ten provinces and two territories.

Mr. Speaker, that's not peanuts! These astronomical figures, I think, show what this Government does for Canadians' welfare and also the interest the Conservative Government has in every province giving its citizens the goods and services to which every resident of every province is entitled.

You see, Mr. Speaker, I could go on giving figures and point out among other things that with respect to the increase in established programs financing from 1979-80 to 1983-84 we are talking about $54 billion. From 1984-85 to 1988-89, Mr. Speaker, the amount was $83 billion. And our estimates for the years 1989-90 to 1993-94 amount to $107 billion, almost $108 billion for established programs financing alone, funds which will be paid by the federal Government to the ten provinces and the two territories.

Mr. Speaker, I would suggest these figures speak for themselves. However, we must not lose sight of the April 1989 Budget which urged all Canadians to tighten their belts and keep in mind the current economic situation of the country. The potential is there, whether we are talking about raw materials, labour or skills, but all that cannot be put to contribution and create jobs if we are saddled with a serious economic problem, if our country is debt-ridden. You know how things were, Mr. Speaker, because you were a Member of the House when interest rates peaked at 22 per cent and you made some comments about that situation. From the outset we had—we still have—to get a handle on threatening inflation. For the first time in years, Mr. Speaker, we have an inflation rate of 5 per cent. This is why we need interest rates to stem the current inflationary trends, and this will automatically guarantee that the country will steer the same course it has been following over the past four years.

I am thinking of the kind of job creation we have seen over the last four years, due to this Progressive Conservative Government's sound management.

Within that overall context, Mr. Speaker, the Budget had to make difficult choices in terms of tax increases, of certain program cuts, and also in terms of transfers or rather of increase of moneys to be transferred once more by the Canadian Government to each and every province.

In conclusion, Mr. Speaker, I believe the motion now before us does not recognize the economic reality across the land. And when it comes to the Budget, when it comes to managing a nation like Canada, we should not look at a small square only, a single card, because there are 52 different cards in a deck!

We must therefore look at the overall Canadian picture, before making our choices. This is what the April Budget did. I see you are signalling my time is up, so let me conclude by stating that the motion in my view is not warranted within the overall Canadian economic situation.

• (1910)

[*English*]

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I am pleased to rise to speak on this motion. It provides the Government a wonderful opportunity to correct its ways, to give renewed hope to our youth, to women, to the poor, to the unemployed, to older workers and to all Canadians who wish to upgrade and improve their skills and education at a university, a community college or a number of various other sources which increase literacy. This provides an opportunity for Canadians to become more competitive, to contribute more to Canadian society, to find a more secure future for themselves and for their children.

This is not only an opportunity for renewed hope but also an opportunity to ensure that education, training, retraining and research and development become the cornerstones of our economic development, of our competitive edge. Let us stop this massive financial retreat undertaken by the federal Government when it comes to post-secondary education and related matters. Let us ask ourselves what is the financial situation regarding post-secondary education.

First, I would like to contest most strenuously the figures used by Government Members. They use figures like $6.9 billion, $7.3 billion, $20 billion, $103 billion or 23 per cent of such and such. Those Canadians who are listening to this debate simply do not have the experience of dealing with millions, let alone with billions. The suggestion has been made that there is massive support for post-secondary education, but if one looks at it in context, that is not at all an accurate description of what is occurring.

What is the financial situation regarding post-secondary education today? In 1986 $8 billion, not $8 million, was reduced from transfer payments to the provinces for health and education. In 1989, $4 billion, not $4 million, was reduced. Those are rough figures, but they are very, very close.

Quite apart from that, there has been a $700 million reduction in training and retraining. Then the Government adds another $800 million to it and tries to pretend that it has increased funding for training and retraining. It has said this without looking at increases in student enrolment, without looking at increased programs, without looking at needed new equipment or any of those variables. Quite apart from that, there are plants and equipment that are getting older and require more dollars for maintenance. That is being drawn from general revenues.

The Government neglects to point out that there has been a 30 per cent increase in enrolment in universities in the last decade. In that decade, there has been an increase of only 8 per cent in the teaching workforce at those universities. It neglects to mention that professors need to deal with large, overloaded classes and it is becoming increasingly difficult for educators to give the kind of education to which our youth are entitled.

Let us look for a moment at student aid. The cost of living criteria has not been changed since 1984. Because of increases in salaries, that means that the student must pay a greater proportion toward his education. Those parents who support their children who are going to post-secondary educational institutions are also paying more.

Current levels of funding have in fact been frozen. The program for an increasing part-time student population has been a disaster, and that has been acknowledged by all Parties. In this Budget, current overall levels for student aid have been frozen.

Let us look at research and development. One half of our Gross Domestic Product is devoted to research and development. That is one half of that which is devoted to it by our major competitor, the United States, and it is roughly one half of what is contributed to it by Japan, Sweden and a number of countries that are smaller than Canada and overall have fewer riches than Canada does.

We have not even looked at the hidden costs, and there are many. One example is postal subsidies. It would appear as if postal subsidies available to learned journals and scholarly books will no longer be available. This will be an additional financial burden on those institutions and on the educational system in general.

This massive retreat will increase regional disparities. The poor will have to pay more, and by the poor, I mean the citizens and the poorer provinces. There will be fewer graduates from those areas of Canada that are poor and therefore regional disparities will increase.

I would argue that it is quite appropriate to target funds after consultation with the provinces. I am sure that there can be some accommodation made, but we need to come through with the funds in order to support that infrastructure that will either make us competitive or not competitive, not only with the United States but on the world scene.

Spending on education, training, retraining and research and development needs to be looked upon not only as an expenditure but as an investment. If Hon. Members doubt what I say, they should look at the number of investments made by the United States, Japan and a number of other countries in the area of education, training, retraining and research and development. There are such things as good debts and bad debts. A good debt is one that returns on the investment made and a bad debt, of course, is one which does not make that return. I would submit that with education, training, retraining and research and development, there is a great deal of return on the investment.

[*Translation*]

We are losing our competitive edge. There have been numerous cuts. What has the impact been? It has meant extra costs for provinces, students and their parents. Our young people are losing hope.

Laid-off workers, especially older ones, are driven to despair. The Canadian people are confused. They realize the deficit must be reduced, but on the other hand they question this Government's priorities. This should be a tremendous opportunity for the Government to discharge its responsibility as regards post-secondary education. Let them do so, and let them do it now! Let them give postsecondary education its due!

[*English*]

Mr. Garth Turner (Halton—Peel): Mr. Speaker, I enjoyed the speech of the Hon. Member for Windsor—Lake St. Clair (Mr. McCurdy). I thought it was well delivered, and obviously the Hon. Member cares about the youth of Canada. It needs to be said, however, that all of us care about the youth of Canada. All of us want to find the right combination of actions which will end up securing a very promising future for those young people. It is in that spirit of caring about what comes next, of caring about the next generation, that the federal Budget was framed. I really believe that. The Hon. Member talked about the burden of the deficit, and that economic imperatives should not outweigh social imperatives. That is an interesting concept. I agree with the Hon. Member that in a perfect world we should invest whatever needs to be invested for research and development and education. As the Hon. Member well knows, we are not living in a perfect world.

• (1920)

I would like to make a couple of comments on the motion the Hon. Member has put before the House. When the Government came to office in 1984, it was quickly realized that we had a serious debt problem. The Government has been on a course of action since then to attempt to get the debt problem under control. There has been some success. The debt has been reduced from 24 per cent in 1984 to less than 10 per cent now. Is that good enough? No, not by any means is it good enough. Still Canada faces a serious problem in the future. The Budget of the Minister of Finance (Mr. Wilson) in April accelerated us on the road to being more responsible in terms of debt control and management.

The Hon. Member for Windsor—Lake St. Clair (Mr. McCurdy) would have to agree that the key point in maintaining our social programs is maintaining our ability to fund them. That is pivotal. We can talk in the House about how we are not spending enough in different areas, programs, agencies, on education and on R and D. However, unless we have the facility as a country to make good on those promises, what is said here contains empty words. We need to be more realistic about what we can and cannot do.

The debt that Canada has accumulated and the debt service costs which make that debt rise on a daily basis threaten our economic ability to sustain prosperity. The Hon. Member has to agree with that. We are spending $30 billion a year on debt service payments. Imagine what $30 billion a year could do to funding education. It would be wonderful to be relieved of the burden of financing this debt, but we are not.

What steps can the Government responsibly and realistically take to get the debt monkey off our backs, and at the same time try and maintain a caring and human face to the Government? I submit to the Hon. Member that we are attempting to find that formula. It is important to remember that we are not looking at absolute cuts in funding here. The Member's motion is flawed in its wording, because it talks about restoring funds cut from federal transfer payments. That is not exactly true.

Transfer payments to other levels of Government from the federal Government amount to 24 per cent of government spending. That is a significant amount of money. In absolute dollars it is $34 billion which is transferred from Ottawa to the provinces. If the Government wants to become more responsible about how it is spending its money, it cannot ignore those transfer payments; it cannot ignore a budgetary item so large. Therefore, the Government is correct in looking at this.

Established Programs Financing contributions amount to almost $20 billion in 1989–90. The next largest federal transfer program is equalization at $7 billion, and the Canada Assistance Plan at $5 billion. On a per capita basis, that represents $750 for every single Canadian in this year. Therefore, it is a significant amount of money.

Of course, federal assistance through EPF helps the provinces, as the Hon. Member has stated, meet their responsibilities for health and post-secondary education. EPF also forms the largest part of federal support for health and post-secondary education. Federal transfers under EPF arrangements are indexed to grow annually, and they take the form of a block fund. Federal assistance is not linked to how much provinces spend in a particular area.

The 1989 Budget announced that the growth rate of those transfer payments will be reduced by 1 per cent. That is not a cut. There will continue to be a rate of growth and the funds will continue to grow and get larger year after year. Therefore, there has not been a cut in transfer payments to the provinces. Over the next five years EPF is expected to total nearly $108 billion. That is an increase of $24 billion. How can that possibly be a cut when it is going to increase by $24 billion? EPF transfers to the provinces will match or exceed the rate of inflation. When something is growing by $24 billion, when it is exceeding the rate of inflation and getting larger, how can it be a cut?

I might point out to the Hon. Member that for Ontario, the province that he and I are from, the hard numbers indicate that in 1989–90 the estimated EPF and equalization transfers to Ontario will be $7.2 billion. In 1991 they will be $7.6 billion. That is an increase in one year of $429 million. It is not a cut.

This year for the Province of Quebec, transfer payments will be $8.1 billion, and next year they will be $8.5 billion. That is $421 million more, which is an increase. The Province of Alberta will receive a $103 million increase year over year; British Columbia will receive a $133 million increase. Those are not cuts.

I submit that the motion before the House has been improperly drafted by stating: "the Government should restore funds cut from federal transfer payments". Those funds have not been cut.

On top of this, the equalization program provides substantial additional federal assistance to lower-income provinces to help them in providing services to the public. Equalization payments are unconditional transfers to the provinces. Provinces can also use those funds to finance important services such as education.

Robust growth in overall provincial revenues, together with strong economic growth in Ontario, has substantially increased these payments. This year they are expected to exceed $7 billion.

Not only are EPF transfers continuing to grow, but so are total major transfers to provinces. In 1984–85 they were $25 billion. By 1989–90 they will have increased to $34 billion. That is an increase, a growth of $9 billion. It is not a cut.

EPF is the largest single program of assistance to post–secondary education, but it is by no means the only form of help that the federal Government gives to the provinces. There are student loan programs and granting councils.

The Liberal Member who spoke a moment ago talked about good debt and bad debt. I will concede that the Hon. Member made a good point in that there is a differentiation in the type of debt incurred. However, there is another type of debt which shackles and can destroy whole nations. Canadians need only look south to other countries that have travelled the road of excessive spending leading to mounting debt problems to see where the road ends. I remind the Hon. Member for Windsor—Lake St. Clair that this road ends in the inability of a country to fund the social programs he has defended and spoken to so eloquently.

I share his concern for the youth of this country. However, I say to the Hon. Member that we have to clean up our financial house, get it in order, get Canada back on a solvent basis, and then we can have the caring, kind, and humane face to this country that the Hon. Member and I would both like to see.

Mr. Benno Friesen (Parliamentary Secretary to Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I wish to add a few words to what others have said on this motion. The Member who brought the motion forward and I are kind of partners in crime in this whole business of education. Therefore I think we both have a right to speak on it. However, I wish he would not leave the Chamber at this point. I have a few things I would like to say to him.

• (1930)

Mr. Riis: That's why he's leaving.

Mr. Friesen: He used the term, one which I wrote down when he said it, "self–created deficit", as though it is some mysterious object that all of a sudden appeared on the scene and now we have to ignore it in order to get on with important matters like education. I want him to know that education has always been important. However, there were a few intervening actions which occurred that created this mysterious self–created deficit that we are all so concerned about now.

First, let us go back to 1972 and 1974, the period of a minority Government. David Lewis was the leader of the Party of the Hon. Member. The Liberal Party was very anxious to maintain its hold on the Government for as long as possible. Thus there was a convenient arrangement made between the governing Liberal Party and David Lewis and his operatives so that they could have a temporary coalition in order to stay in office.

During that time some things came into being, mysteriously, such as the Mackenzie Valley Pipeline Commission headed by Tom Berger. That Commission managed to stall energy operations in western Canada for a good many years. In fact, that part of it has not done well since. In fact, in terms of threats of oil spills on the West Coast of Canada, we would not have had to worry about them if they would have allowed the pipeline to be built.

Then there was a little corporation known as PetroCan created. It was born as a result of this coalition that came into being between 1972 and 1974. PetroCan was supposed to be a window on the industry with just a small cash infusion of $500,000—an insignificant amount. However, the window went on to become a bay window. It kept getting bigger and bigger until the corporation is now monumental. It is a multi–billion dollar corporation with a glass tower in Calgary known as Red Square. This $500,000 company was begun as a result of the coalition which created this self–created deficit.

Then, Mr. Lalonde, who was the Minister at the time, bought a foreign oil company that was operating in Canada. He paid $1 billion too much for it, something which inflated the whole price of Petro–Canada. Now, a few years later, we have to think of how we are going to pay back the debt that was incurred by the loose spending of that loose coalition which seemed so innocent and so human at the time. The most human thing it could have done would have been to think about education. It was profligate in terms of its spending in those

days. Deficit spending was thought to be a buzzword, an in word for people who were in this coalition. It was good because it thought of the people. That deficit is now robbing 30 per cent of our income. We cannot spend it on education anymore. We cannot spend it on health services the way we would like to. The Hon. Member now sees that as a self-created deficit. The Member who was an educator wants to see us ignore the deficit.

Incidentally, as my colleague just pointed out, the Hon. Member who proposes the motion talked about cutbacks and cuts in spending. Between 1979 and 1984 Established Programs Financing hit a peak of $54.929 billion. From 1984 to 1989 the figure rose to $83.354 billion, an increase of nearly $30 billion as I read it. However, the Hon. Member calls that increase a cut. Between 1989 and 1994 it is expected that Established Programs Financing will rise to $107.865 billion. Is that a cut? That figure is double what it was between 1979 and 1984. Yet the Hon. Member persists in calling it a cut.

I know that money is important in education. Without it we cannot get into all the areas that we need to get into such as research in microbiology, space research, sound—all of the matters that universities have to get into if we are to become world leaders in these areas. However, they all cost money. Everything in education does not cost money. I wish the Hon. Member as an educator himself would have said something about the place of curiosity in education, the place of working one's way through school and giving oneself an incentive in education.

Mr. Fisher: Did you?

Mr. Friesen: Yes, I did. It didn't cost the Government of Canada one red cent for my seven years of university training.

Mr. Fisher: Of course it did. Your tuition does not pay the full cost by any stretch of the imagination.

Mr. Friesen: That is right. However, I was not trained in Canadian universities. When I went to state universities I paid double tuition.

Mr. Flis: That explains it.

Mr. Friesen: The Hon. Member has it.

I wish the Hon. Member would have talked about something about which I think he is probably very competent in, that is, the role of the teacher in inspiring curiosity in students. I think he was probably very good at that. However, somehow it all boils down to money. If the growth is not quite as high as it was the year before then somehow the students and universities are being defrauded. I do not think that squares since those other ingredients have to be fed back into the system.

I hope the Hon. Member who has put this motion forward will do some sober thinking about self-created deficits. What we borrow today we have to pay back tomorrow. The interest payments we are paying today could have been better spent on universities as opposed to paying it to the banks and Wall Street. We cannot rely on continued deficit financing in order to keep the system going.

Mr. Nicholson: That is the point where the Hon. Member got up and left.

Mr. Friesen: Exactly. That is when he got up to leave. It was when we talked about deficit financing. It has been the darling ploy of the New Democratic Party.

While I have some sympathy for this motion, I am afraid that I cannot support it. It has an open-ended criterion to it.

There is one other factor in dealing with the cost of education. It is cost control. At the present time we are asking the federal Government to pay out, but the federal Government has absolutely no control over what it costs. Somewhere in the balancing of the books there has to be also a balancing of the costs, not only the asking for more funds. Somewhere along the line we have to get that equation worked into the system. I hope that the Hon. Member will do some more thinking about this motion before he ever proposes it again.

The Acting Speaker (Mr. Paproski): I would like to recognize more Hon. Members on debate. However, the time provided for the consideration of Private Members' Business has now expired.

Pursuant to Standing Order 96(1), the order is dropped from the Order Paper.

• (1940)

Mr. Cooper: Mr. Speaker, before we commence debate on Bill C–8, there have been discussions among the Parties and I think you will find unanimous consent to have Bill C–22, which we debated earlier this afternoon, referred to the Standing Committee on the Environment rather than to a legislative committee as had been proposed to the House earlier this afternoon.

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

Some Hon. Members: Agreed.

* * *

DEPARTMENT OF LABOUR ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C–8, an Act to amend the Department of Labour Act, as reported (without amendment) from a legislative committee.

The Acting Speaker (Mr. Paproski): There are four motions on the *Order Paper and Notices* offered in amendment to Bill C–8, an Act to amend the Department of Labour Act, all in the name of the Hon. Member for Hillsborough (Mr. Proud).

Motion No. 1 is similar to a motion that was debated in committee. However, the Chair is of the opinion that the motion is sufficiently different that it will allow it to be put to the House.

Motion No. 1 will therefore be debated and voted on separately.

Motion No. 2 is identical to a motion that was moved and negatived in committee. For this reason it will not be selected.

Motion No. 3 causes the Chair misgivings because the amendment is attempting to add a definition of a "Consultative Council Board". This is a new concept, a concept that was not envisaged in the Bill when it received second reading. It is my view that the amendment goes beyond the scope of the Bill as read a second time by the House.

Paragraph one of Citation 773 of Beauchesne's Fifth Edition stipulates that: "An amendment is out of order if it is irrelevant to the Bill, beyond its scope or governed by or dependent upon amendments already negatived".

Consequently, the motion is out of order and will not be selected.

Motion No. 4 is in order and will be debated and voted on separately.

To recap, Motions Nos. 1 and 4 are in order and will be debated and voted on separately.

Motions Nos. 2 and 3 are out of order and will not be selected for debate.

The House will now deal with Motion No. 1.

Mr. George Proud (Hillsborough) moved:

Motion No. 1

That Bill C–8 be amended in Clause 1 by striking out lines 11 to 14 at page 1 and substituting the following therefor:

"ions, employees or employee organizations, for the purpose of making provision".

He said: Mr. Speaker, it is with pleasure that I rise today to speak on this motion. Specifically, the motion calls for Bill C–8 to be amended by striking out lines 11 to 14 at page 1 and substituting this motion. Clause 5(1) of Bill C–8 would now read:

> Subject to the approval of the Governor in Council, the Minister may enter into agreements with provincial Governments, employers, employer organizations, employees, or employee organizations, for the purposes of making provision.

Bill C–8 is an Act to amend the Canada Labour Code, enabling the establishment of the Program for Older Worker Adjustment, otherwise known as POWA.

It has been more than three years since the Government announced its intention to create a program for older worker adjustment and, finally, the Government has brought forward legislation. It is important to note that this announcement by the Government came directly on the heels of its decision to cancel the Labour Adjustment Benefit Program in the Government's February 1986 Budget.

During the debate at second reading of Bill C–8, I addressed this matter and I want to reaffirm that my colleagues on this side of the House are very upset with the Government for taking more than three years to bring this legislation to fruition.

Given the time frame that the Government had to produce legislation that could greatly benefit older workers, what we see here is legislation that is a step in the right direction, although a minor step forward at best.

I say that because during the three years that older workers have been waiting for a new program there have been approximately and still are 636 applications involving thousands of older workers. They have been waiting a long while and my colleagues and I on this side of the House do not think that they should wait any longer. They had been promised a program by the Government; they were promised benefits and assistance.

Throughout the legislative committee hearings this theme was constantly brought forward by the witnesses. Although they felt that there were inherent flaws in this particular legislation, substantial flaws, they still felt it was important to support this legislation. A major concern was the involvement of financial institutions in the administration of this program.

The Canadian Labour Congress, the Canadian Labour Market Productivity Centre, and the Canadian Council on Social Development raised this concern during the hearings. That is why I am proposing this motion in the House today.

The Canadian Labour Market and the Productivity Centre suggested that a better model for administering income maintenance could be through the Canada Pension Plan and proposed that this program somehow be administered through Health and Welfare Canada. In terms of the annuity model, they proposed that instead of privatizing the delivery of this program, systems already in place could take care of the same issue.

The Canadian Council on Social Development questioned how the program administration with the financial institutions, and more specifically with insurance companies, would actually work in practice. During the legislative committee hearings the Canadian Council on Social Development stated:

> We question the appropriateness of business firms making adjustments to the benefits payments, once the initial benefit level has been established by POWA. How will private firms monitor changes in annuity holders' employment and income status without reference to personal information on these annuity holders' income tax returns?

The Canadian Labour Congress had reservations about the involvement of financial institutions in the administration of this program. One concern was the transfer of work from unionized public workers to non-unionized private sector workers. Another concern raised by the CLC was that the purchase of annuities virtually guarantees that the provision of income security to older workers will be administratively segregated from the other aspects of an integrated adjustment program, which include training, job counselling and job placement. To summarize the feelings of the CLC, I think it is safe to say that to turn over the income situation of POWA beneficiaries to financial institutions was, according to them, totally unacceptable.

Given the concerns raised by these notable organizations during the legislative committee hearings, I propose that the House consider the adoption of this motion that is before us today.

These organizations have a very strong insight into the concerns with respect to older workers in this country. The dilemmas facing older workers today, and in the past, are not new to these organizations, for they have researched this area for many years and have provided us, as parliamentarians and Canadians, with very thorough studies. I trust that this motion will receive positive consideration by the House.

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, I rise to speak in favour of the motion. The major reason why I do so concerns an element of privatization to a portion of the Government, and perhaps the involvement by the private sector in government at all. The concept of the delivery of the benefits of the Program for Older Worker Adjustment being delivered by private insurance institutions is one I find particularly abhorrent. The struggles I have had with insurance companies in the delivery of workers' benefits for sickness, accident and long-term disability pale in comparison to the struggles the Opposition is having with the Government. So you can quite well imagine how enormous the problems are which people are having with private insurance companies insofar as the delivery of these programs are concerned.

• (1950)

Can you imagine an employee on long-term disability from a plant that is designated within this program, the employees of which are entitled to receive benefits under POWA, an employee who is most likely at two-thirds of the previous salary? POWA stipulates that the benefit levels are 60 per cent of previous salaries.

Once the enterprise has been designated under this program, I would suggest that there would be an enormous amount of pressure by that insurance company to force the levels which it was previously paying out of its own pocket of 66 per cent down to the 60 per cent and foisting the cost of that worker on to the taxpayers of the country.

I do not think it is possible to view some of the problems associated with this concept in any other way. There is absolutely no reason for insurance companies to be involved in this kind of a program at all. What we see here is simply a continuation of what was begun several years ago by this Government but which has accelerated since the return of this Parliament and certainly as a consequence of this Budget; that is, the privatization of as many services which can be provided to people ostensibly by the Government as possible.

The Government claims that the reason for doing it this way is that it is cheaper. If the Government puts these things out for tender and the cost to the Government as a result is cheaper, and they have said that it will be as much as 70 per cent, the difference in cost is quite easily explained.

As the previous speaker pointed out, and as the mover of the motion pointed out, what is happening is that the people who will be implementing this program are now going to be in the private sector and will be more poorly paid than Government workers. I would suggest that the insurance companies are able to provide the cost at somewhat less than the Government, but even on that basis what the Government is really doing, as is the case in most privatization efforts, is being penny-wise and pound-poor. If the people who are providing this service were to remain within the Government, well paid workers within the Government earning decent salaries, paying income tax and spending the money in the community, the basic overall return to the Government would be just as high as if these services were not provided by private companies.

I agree with the previous speaker that what we have here is a pale beginning of something which should have become full blown long before now, something which we have waited three years for the implementation of, the pale beginnings of something which has to occur. Older workers are at a tremendous loss within our society to find jobs for themselves. Even the services provided to them under the Labour Department are insufficient in helping them to find jobs for a variety of reasons.

For the time being, I would simply like to point out that while we will be supporting this motion and supporting the concept of POWA, it is with a great deal of concern and sorrow that we recognize that it does not go much farther.

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, the purpose of Bill C-8 is to provide income assistance to older workers who have lost their jobs and who, because of their age, cannot find work again. In the Bill older workers are defined as those people 55 years up to and including 64 years. This proposal to provide income assistance to older workers is of course subject to conditions. I will discuss those conditions when we come to a later amendment.

Let me say that it is obvious that one of the conditions is that the older worker must have exhausted his unemployment insurance. Therefore, what we have here is a Bill which will provide income assistance to a worker over 55 who cannot find work, who no longer has unemployment insurance. He has to have some kind of income assistance until he gets old enough to get the old age pension. That is the purpose of the Bill.

The amendment to the Bill, which we are discussing now and which has been proposed by my colleague from Prince Edward Island, is to strike out that clause of the Bill which provides that income benefits to the unemployed older workers come from private financial institutions. For some reason or other, the Government has decided to finance and provide this income assistance to older workers by making agreements with private companies and with private financial institutions.

We cannot understand why. We don't finance old age pensions by some sort of an agreement with private financial institutions. We do not provide family allowances by making a contract with private insurance companies and private finance companies to make those payments to families for family allowances. As a matter of fact, I do not know of any kind of social programs where the Government makes a contract with a private, profit-making company to provide benefits to Canadians. We have in this Bill such a provision.

The witnesses before the legislative committee recommended that that is not the way to do it. They said that these benefits should be provided for and financed like other social benefits through Government agencies such as the Canada Pension Plan,old age pensions,family allowances and so on.

The Canadian Labour Congress, the Canadian Council on Social Development recommended that we strike out this provision that says that the benefits will be financed and provided by financial institutions. That is what my hon. colleague is doing in this amendment.

We urge Members of this House to support the amendment so that these benefits will be financed and provided for like all other social benefits and income support benefits.

It is surprising that the Government announced this program in the Budget of February, 1986, and yet it took the government members more than three years to produce this Bill. After abolishing the previous program, they finally came forth with this Bill and program for older worker adjustment. Despite the fact that we support the goal of the Bill, it is hard to understand why there are so many flaws in the Bill such as the flaw before us. I urge the House to support this amendment put forward by my hon. colleague.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, I too would like to add my support to the motion tabled here before us by the Hon. Member for Hillsborough (Mr. Proud). It is a very important amendment. More and more we are seeing in our constituency offices people who have lost their jobs and specifically between the ages of 55 and 64. My hon. friend before me referred to them as the older workers. I would like to refer to them as the more senior workers. Because they have experience, they can offer a lot to the country, perhaps for another 20 years or more. Yet firms are reluctant to hire them. That is why I think this Bill is a good one. It does provide protection for such workers who find themselves unemployed. It has a traumatic psychological effect on people to find themselves unemployed after working for 20 or 25 years. That is not an easy thing to live through. It is unfortunate that it took the Government three years to bring in such a Bill.

• (2000)

I hope the Government is listening and will vote for the amendments which our side is introducing because their purpose is only to improve the Bill. The Government is following a trend of cutting the public service and moving toward privatization. It has brought in the free trade Bill, the effects of which we have already seen. Plants are moving to Mexico where workers work for $4 a day. This displaces workers in Canada in the age group of 55 to 64. I know you want to get on with the debate, Mr. Speaker, and I would urge all Members of the House to support this amendment.

[*Translation*]

Hon. Jean Corbeil (Minister of Labour: Mr. Speaker, I would like to point out that the proposed amendment, if adopted, would eliminate a key component of the program, a component that has played a major role in all our negotiations with the provinces on their participation in this program. Adopting this amendment would require a new series of negotiations with the provinces and might mean considerable delay in providing the assistance that older workers need. Earlier, I heard the Hon. Member for Hillsborough (Mr. Proud) say there had been too many delays already, and my point is that adopting this amendment would only make the situation much worse.

As for cancelling the previous program, I can inform the Hon. Member for Notre-Dame-de-Grâce (Mr. Allmand) that we have not yet terminated the previous program. In fact, it has been extended for one year, and this was a program his Government had expected to expire in 1985.

Mr. Speaker, by striking out, as proposed by the Opposition, the words "or other such persons or entities as the Minister considers appropriate", we would in fact deprive the Minister of the option of using any other legal entity in the job environment that might be useful in facilitating adjustment payments. This would mean it would take at least one or two or maybe more years to put in place the government bureaucracy required to dispense these payments, and it would also reduce the amount of money available for the workers in question.

I therefore ask, Mr. Speaker, that the House vote down this amendment.

[*English*]

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed to the motion will please say nay.

Some Hon. Members: Nay.

In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 76(8) the recorded division on the motion stands deferred.

Mr. George Proud (Hillsborough) moved:

Motion No. 4

That Bill C-8 be amended by adding immediately after line 14 at page 2 the following new clause:

"2. (1) Three years after the coming into force of this Act, a comprehensive review of the provisions of section 5 of the Department of Labour Act, as enacted by this Act, shall be undertaken by such committee of the House of Commons as may be designated or established by the House for that purpose.

(2) The committee referred to in subsection (1) shall, within a year after the review is undertaken or within such further time as the House of Commons may authorize, submit a report on the review to the House including a statement of any changes the committee recommends."

He said: The last motion that I have the pleasure of speaking on today in reference to Bill C-8 is a motion proposing that the Bill be amended by adding, after line 14 on page 2, the following new clause numbered 2(1), and I quote:

Three years after the coming into force of this Act, a comprehensive review of the provisions of section 5 of the Department of Labour Act, as enacted by this Act, shall be undertaken by such committee of the House of Commons as may be designated or established by the House for that purpose.

There are a myriad of concerns with respect to this legislation, as I have addressed in previous comments to the House and throughout the legislative committee process. Obviously these concerns have been shared by my colleagues and by numerous organizations and individuals throughout the country.

As previously mentioned in this House, my colleagues and I support this Bill in principle. By that I mean that older workers need assistance and they have waited long enough for such a program.

I would briefly like to highlight some of the concerns that have been raised pertaining to the legislation. I believe that, although it is definitely an improvement to have a program for older workers' assistance, this legislation has an unusually high degree of selectivity, arbitrariness and subjectivity.

The criteria for eligibility is very broad and does not take into account older workers who may fall between the cracks so to speak. What about older workers who are not part of a major permanent lay-off as designated by the Minister? We still have no idea what the Government will consider as being a major lay-off. Will the Government judge by the number of employees laid off in a region or by the severity of an individual's situation? These lay-offs are to be assessed on a case by case basis.

Given the loosely worded criteria for deciding who qualifies, it is left totally to the discretion of the Minister of Labour as to what constitutes a major lay-off and thus who will be eligible for assistance. The motion I have proposed today will ensure that if the concerns are raised in this area strongly enough to warrant review that the House will do so.

With respect to the federal-provincial partnership of this program, the Government is saying that it will be 70-30 cost shared. It is important to note that Ontario is the only province that has not agreed to participate. British Columbia has recently entered the program. Why has Ontario not agreed to participate? We haven't been given any reasons for its reluctance. Does this mean that older workers from Ontario will not have the same rights and opportunities as older workers from the other nine provinces?

Another concern is how the program will mesh with the UI proposals. How will the design for programs for older workers under the labour force development strategy mesh with POWA? Will they be used to test eligibility for POWA? Will older workers have to exhaust all alternatives in order to qualify for the Program for Older Worker Adjustment?

During the legislative committee hearings a multitude of concerns were raised, some of which I outlined a few moments ago and some of which I will outline now. POWA continues to be a passive approach to labour adjustment for older workers. Some of the witnesses at the hearings believed that it is better to put resources into training and retraining older workers rather than only providing income supplementation. The LAB program had worker and employer representation in the decision-making group built into its administration, unlike this Bill. The program should be made more consultative by including workers and employers in its administration. Under this proposed legislation there are very low yearly benefit levels, with the maximum about $13,200 in 1989 which is about the same as Statistics Canada poverty lines.

How would a lay-off be judged eligible? According to the legislation it must be a major permanent lay-off, but it could be refused if considered a minor permanent lay-off.

As we can all see, there are a variety of concerns with respect to this legislation. Thus I believe that the motion I have proposed today will ensure that these concerns will be dealt with and that other concerns that may arise will be dealt with in an effective manner. I urge the House today to support this motion which I have put forward.

• (2010)

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, there are several very good reasons for supporting this motion, not the least of which is that there is a lack of regulatory authority within Bill C-8 itself. That highlights more than ever the necessity for a review. I cannot think of a better vehicle for reviewing this legislation than the House itself and a committee set up by it.

It needs a review process because all it says really is that the Minister will enter into negotiations. There is not any major evaluation of what the final program will look like. All we really have at this stage before it becomes law is reference to some Department of Labour documents which are not very extensive in their exposition of what the program will entail.

The motion will also provide a public review of the program for older workers. Related to what I have already said, this program contains the vaguest of references and operates largely upon the goodwill of the Government. In light of what we are experiencing in relation to this Government at the present time, how can we have any assurance that the designations of major lay-offs are going to be fair? It is absolutely essential that the public have some input. It might possibly be that three years is too long a period of time. It is absolutely essential that the public have some ability to be able to review this program after it has had a chance to operate for a while.

The third reason that it is essential that we have the review is that when it comes to older workers, they face many problems within society as a result of losing their employment which other age levels do not experience. Not the least of which, Mr. Speaker, is the inability to be able to find work at the age of 55 to 64. It is almost a given within our society that people of this age are going to have difficulty finding employment.

In addition, a review of this very situation is going to be essential because the older worker, the 55 to 64 year-old age group, while they are becoming a larger portion of Canadian society are becoming a smaller proportion of the labour force, indicating something in reverse to what one would hope to see happen.

Since that is the case, with a review three years from now we will be able to take a look at where this trend is leading us and be able to make a very good assessment as to whether or not programs should be put in place to supplement this one and the degree to which this one should be augmented if that should be the indication.

I can only say in relation to the whole program for older workers that it is a pale semblance of what we ought to be having. It is a beginning. Let us hope that it is the beginning of a program which takes care of not only these people from 55 to 64 years of age who find themselves at odds with their society because they are unable to find work, but also there are developing serious problems of people even at lower ages. A review three years from now may also include the problems of workers who are even younger than 55.

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, as my hon. colleague said, the purpose of this amendment is to require a review of the legislation after three years. That amendment was proposed to us by witnesses before the legislative committee. The reason that they proposed this review after three years is because they wanted the Bill to go through now, but they said it was subject to many flaws. They felt that the flaws should be dealt with in due course.

For example, the Bill contains no appeal procedure. In the former legislation, the Labour Adjustment Benefits Program, there was an appeal process which workers or firms could use if they felt the administration had not treated them properly. There is no appeal procedure in this. There is no consultation procedure written into the program.

The Minister has almost total discretion under this Bill. He can do pretty much as he likes. Many of the individuals who spoke to us felt there should be a consultation process whereby the Minister would have to consult with labour and with management with respect to this whole process for older workers.

Another flaw is that the benefits payable under this legislation are higher than welfare but lower than unemployment insurance. It is somewhere between unemployment insurance benefits and welfare benefits. This means that while it will be better to receive assistance under this Bill than under provincial welfare schemes, it will be less than some people would receive under unemployment insurance. There are flaws in the Bill. As a matter of fact, there is very little in the Bill. The Bill is only two pages. Most of the program that relates to the administration of the Bill, the criteria and so on, are in directives which are internal in the Department. We have the directives and we are able to read them but they are not in the Bill. This is another flaw.

The Government itself has put a similar provision in other legislation which is brought before Parliament. This Conservative Government has used that type of clause before, that legislation should be reviewed after three years or after five years. When we were in power, we did it with the Freedom of Information legislation and the Privacy legislation. We did it at that time at the request of the Conservative Party. They had proposed it in the House, such as we are doing tonight and we agreed to it. That legislation was subject to review. A parliamentary committee studied it and made a report on improvements.

I would urge the Minister of Labour to take this proposed amendment seriously. It does not change the legislation as such now, but it will require that the legislation be reviewed in three years' time by a designated parliamentary committee. The parliamentary committee can propose improvements to the law at that time on the basis of three years' experience. I have already mentioned some of the flaws in the Bill.

Mr. John Nunziata (York South—Weston): Mr. Speaker, I too support in principle the amendment that is proposed, which basically renders this legislation reviewable after three years. It seems to me that it is a good move to review the purpose and effect of this particular legislation and the impact it has in Canada generally.

Having said that, I would like to indicate my very serious concerns with respect to the fundamental problem that Bill C-8 purports to address. That fundamental problem, Mr. Speaker, is one that you, I and every Member of the House of Commons encounters almost on a daily basis in our constituencies. That is the older workers who find themselves unemployed through no reason of their own.

We know all too often major plants and minor employers for economic reasons, whether it is because of free trade or because of other economic considerations, decide to close their plants. The closure of a plant or the closure of a place of employment has brutal effects on workers, especially those workers who are older. This particular Bill deals with workers who are between the ages of 55 and 65.

Regardless of what age one may be, the impact of losing a job is very severe and especially when the person losing his or her job is the major breadwinner in the family. Having said that, the problem is even more acute when we are dealing with older workers. As their Member of Parliament, I have older workers calling me in desperation looking for some type of employment. They find themselves somewhat short of 60 years of age when they would qualify for a reduced Canada Pension Plan, or several years away from Old Age Security. The impact is devastating on a family where at one moment there is an income and the next moment there is not.

• (2020)

Bill C–8 tries to address that particular problem and although the Bill ought to be supported, especially in view of the great number of applicants—I understand there are 636 applicant groups that apply for benefits under this legislation—but this is not the answer. It is simply ad hoc, it is piecemeal and it is also discriminatory. If you are 54 years of age, you do not qualify. What is the difference between a 54 year old worker with three or four children, a mortgage to pay and other expenses to meet and a 55 year old worker with four children, a mortgage to pay and expenses to meet? What is the difference between the two when they lose their jobs? There isn't any.

Unfortunately the Government has arbitrarily chosen age 55 as being the operative age after which benefits may be payable under this legislation. That is a fundamental flaw in the legislation in that it only applies to older workers beyond the age of 55.

What the Government of Canada ought to be looking at is not an amendment to the Department of Labour Act, Bill C–8—here it is 8.20 p.m., a few weeks before we are adjourning to fulfil a commitment made by the Government in 1986—but it ought to be addressing the fundamental problem in a serious and comprehensive way. What I am speaking of is a form of guaranteed annual income or an income supplement program available to all Canadians. There comes a time when we have to talk about the ultimate social program. In Canada today we have a myriad of programs, whether it is at the provincial, municipal or federal level. There are welfare programs, unemployment insurance, Canada Pension Plan, mothers' allowance, all kinds of ways in which the Government tries to assist those in need. At some point in the future the Government will have to realize that each and every Canadian, regardless of where he or she lives, regardless of being male or female, whether he or she is 65 years or 25 years of age, people are all entitled to a certain minimum standard of living. That is the least we can do as a modern, prosperous and civilized nation.

I see that not only my colleagues in the Liberal Party are supportive of a comprehensive review of all welfare systems in Canada—the beginning of a discussion of a guaranteed annual income program in Canada—but I note the Minister himself and other Ministers of the Crown nodding in agreement. Indeed, various backbenchers agree as well. I would hope that all those who agree will urge the Minister, the Government and the Prime Minister (Mr. Mulroney) to give serious consideration to addressing the root problem that this Bill purports to address.

I note that I am permitted to speak on the motion and I understand that third reading will follow when my beloved colleague, the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria), the deputy whip, will speak. Not so long ago he was not a member of management. Now he is and he is telling me to speed up. I will conclude by saying—

Some Hon. Members: Hear, hear!

Mr. Nunziata: I see there is considerable support for me to continue.

Some Hon. Members: Oh, oh!

Mr. Nunziata: My colleagues are so appreciative of my submissions.

The Acting Speaker (Mr. Paproski): I regret the Hon. Member's time has expired.

Hon. Jean Corbeil (Minister of Labour): Mr. Speaker, I will try to be brief. Let me say that the Hon. Member who just spoke and I do not have the same understanding of the applause that went on while he was speaking. I gather it was more an encouragement to put an end to his speech than to what he was saying.

Some Hon. Members: Oh, oh!

Mr. Corbeil: I think that this Bill is a tribute to both my predecessors, the Hon. Member from Vaudreuil, the Hon. Member from Kindersley—Lloydminster and the officers of the Department of Labour, who have put together a new program that is a monument of flexibility that will fill the need that is so important for the older worker.

The program is flexible and will also provide the necessary help for older workers. This is a joint federal–provincial program and it would be in keeping with the consultative nature of this program to review activities with the provinces. Moreover, Members of Parliament have the opportunity annually to examine the activities under the Department of Labour Act through their annual review of Labour Canada's Estimates. Also, a committee has been put together consisting of representatives from the provincial Governments, the federal Government, labour and employers to make sure the program fits the needs for which it was designed.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Some Hon. Members: On division.

Motion No. 4 negatived.

Mr. Boudria: Mr. Speaker, there have been further consultations among all Parties in the House of Commons and I think if you were to seek unanimous consent you may find that the House is prepared to vote on Motion No. 1.

The Acting Speaker (Mr. Paproski): Is there unanimous consent?

Some Hon. Members: Agreed.

The question is on Motion No. 1 standing in the name of the Hon. Member for Hillsborough (Mr. Proud).

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Some Hon. Members: On division.

Motion No. 1 negatived.

Mr. Corbeil moved that the Bill be concurred in.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

The Acting Speaker (Mr. Paproski): When shall the Bill be read the third time? By leave, now?

Some Hon. Members: Agreed.

Mr. Corbeil moved that the Bill be read the third time and passed.

Mr. George Proud (Hillsborough): Mr. Speaker, in my share of time this evening on these two motions and on the motions I put forward I want to say that this Bill is going to pass. We have said throughout the hearings that people have been waiting for this legislation. We are not totally satisfied and as my colleagues have said, there are other ways to look more in depth at these social programs. I hope that many of our concerns about who will qualify, about what is a major lay-off, concerns I have put forward today, in committee and at second reading stage, will be addressed. I look forward to seeing the results of this Bill as it becomes law.

• (2030)

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, during the debate in the House over the last three or four days, I have kept hearing references to the Budget made by government Members. Government Members are claiming that a great deal less is really a lot more, but that in the odd case where there is more government control it is really less.

In the final analysis the program for older workers is the same. In 1985 under the Labour Adjustment Benefits Program, which I grant did not have as wide an application as POWA, more people were covered. They were covered at higher levels and they received more money.

There is somewhere in the neighbourhood of 73,000 people who are in the age group of 55 to 64. The Program for Older Workers, under the best of circumstances, cannot cover more than 10 per cent of those people who may be potentially affected by becoming unemployed at that age. That is one of our major concerns. What will happen to that 90 per cent of people who will potentially find themselves out of work with no possibility whatsoever of being able to avail themselves of the Program for Older Workers?

It is true that the sooner this Bill gets passed, the better, but it is also true that there are many older workers who anticipate benefiting from this program who will not. They will not benefit from it because they will find themselves in what is identifiably a major lay-off which, under the terms of this program, terms that are certainly vague enough, will not be a lay-off that is deemed to be severe enough. Therefore, they will be excluded from receiving the benefits of this program.

This Bill will be implemented. We in the New Democratic Party will not vote against it. However, we would ask government Members to look at it again. I cannot for the life of me understand why they would object to having this program reviewed after three years. If it will be as good as they say it will be, I would think that they would welcome the initiative of the Hon. Member from Prince Edward Island who moved the motion that there be a review after three years.

The legislation is fraught with many problems. It does not go far enough. However, some people will be helped, though not enough. Let us help those who need the help.

[*Translation*]

Mr. Corbeil: Mr. Speaker, this amendment would provide some very necessary and useful assistance for older workers who have lost their jobs as a result of major and permanent lay-offs and have no prospects of re-entering the labour market. These workers are some of the most deserving people in this country.

[*English*]

In third reading stage of this Bill I would like to thank the members of the Liberal Party and the New Democratic Party for the constructive perspectives they offered during the hearings of the legislative committee and for their co-operation in ensuring the speedy passage of this brief legislative amendment to the Department of Labour Act.

Mr. John Nunziata (York South—Weston): Mr. Speaker, I will be very brief. I wish to make one or two other points with respect to Bill C-8, a Bill which purports to address the problem of unemployed older workers.

First, the Bill does not go far enough. It is somewhat discriminatory in that it applies to a certain group of older workers, those between the ages of 55 and 65. I hope the Minister has sought and received the advice of law officers of the Crown to determine whether this legislation complies with the Charter of Rights and Freedoms. As the Minister knows, under Section 15 of the Charter, it is prohibited to discriminate based on age.

As I indicated earlier, this Bill does discriminate. It discriminates in a positive way in that it provides benefits to a certain group of people. However, it discriminates in a negative way against those who are not between the ages of 55 and 65.

People who are 54 years of age will be discriminated against by this legislation. In my respectful submission, the Bill is contrary to the Charter of Rights and Freedoms. However, the Minister nodded when I asked him if he received the advice of lawyers on that point.

A general point has been made by a number of my colleagues on several occasions with respect to the arbitrary age at which the Government of Canada tells workers that they must retire or become eligible for benefits. I am speaking of two programs in particular. Under the Canada Pension Plan, people become eligible for reduced pensions at the age of 60 and they become eligible for full pensions at the age of 65. With respect to the Old Age Security Program, a program which up until recently was open to all Canadians but for which the Government has now introduced a claw-back, workers who turn 65 years of age become eligible.

There is nothing magical about turning 60 years of age or 65 years of age. At some point in the past a Government in its wisdom decided that that was the age when people had to consider themselves old, when it was time to be removed from the workforce. I would ask that parliamentarians, particularly the Minister and government Members, give serious thought to those arbitrary ages which were selected for the Old Age Security and the Canada Pension Plan.

The age of 65 is not a magical age. There are workers who are 55 and wish to retire for health reasons or other reasons. Surely, in a modern, prosperous, affluent country like Canada, we can find the resources to permit older workers who wish to retire the opportunity to do so with a pension from the Government of Canada, keeping in mind, of course, that when an older worker removes himself or herself from the workforce, whether voluntarily or involuntarily, a position opens up for another worker. Those are the other two points I wish to make for the record, Mr. Speaker, and I thank you for giving me the opportunity to speak.

• (2040)

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion agreed to, Bill read the third time and passed.

* * *

CANADIAN TRANSPORTATION ACCIDENT INVESTIGATION AND SAFETY BOARD ACT

MEASURE TO ENACT

Hon. Pierre H. Cadieux (for the Minister of Transport) moved that Bill C–2, an Act to establish the Canadian Transportation Accident Investigation and Safety Board and to amend certain Acts in consequence thereof, be read the third time and passed.

Mr. Ross Belsher (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I would like to express to the members of the Standing Committee on Transport my appreciation of their excellent spirit of co–operation in the study of the Bill. As I look around at the audience tonight, I see several members of the Transport Committee present. On behalf of the Minister, I wish to thank them for their co–operation.

Political partisanship was set aside, and a real spirit of co–operation was demonstrated by all. I wish to thank all members of the Standing Committee for that.

The key point is that the Bill which emerged is much better legislation. Co–operation in the pursuit of improvements has shown its value in the end product. For this, members of the Standing Committee can be justifiably proud.

Obviously we did not in the end satisfy everyone completely. I do not believe that this is ever possible, and some ideas for changes to the Bill could not work without totally changing the concept of the proposed Bill.

I am reminded of one definition of a camel: a camel is a horse designed by a committee. The members of the Standing Committee avoided that pitfall. Instead, they took a reasonably good work horse and made it into something closer to a thoroughbred.

Among the amendments to the Bill, the addition of oil and gas pipelines to the board's jurisdiction deserves mention. Those pipelines were not initially included in the Bill, because they have not traditionally fallen within the scope of transportation, the subject of this Bill.

Members of the Standing Committee noted, however, that there exists a perceived potential for conflict of interest when the regulators of oil and gas pipelines are also the accident investigators. It is therefore only logical that accidents involving oil and gas pipelines, as well as pipelines carrying other commodities, be investigated by an independent board.

The object of the board was also expanded by amendments. The Bill now provides that the board may pursue its over–all objective of improving transportation safety by conducting special studies and investigations on matters pertaining to transportation safety.

In line with this, the board's objective of improving transportation safety was reinforced by adding the word "safety" to its title. It will be known officially as the Canadian Transportation Accident Investigation and Safety Board.

The Government has agreed with these changes. However, I would like to add one point of clarification. The board is responsible for conducting accident investigations and studies, and it is accountable for the quality of its recommendations to improve transportation safety.

The responsibility for the safety of the transportation system itself rests with the Minister of Transport. The Minister is accountable to Parliament and to the people of Canada for transportation safety. I know that the new board, in its operation, will understand and respect the role and responsibilities of the Minister, as I know the Minister will understand and respect the role of the board.

Witnesses before the committee expressed a number of concerns that were dealt with by amendment. Many interested parties that would be affected by the board's work, for example the railway companies, sought assurances that they would be consulted on the regulations and policies of the board.

The Bill was amended to confirm that regulations will be pre–published for 90 days in *The Canada Gazette*. Another amendment requires the board to make public its policies regarding which accidents to investigate and how to conduct investigations. This guarantees that any interested party can have easy access to these policies and comment on them.

I expect that the board will consult with interested parties on the development of those policies in any event. Consultations will ensure that the policies are fair, reasonable, and workable. Consultation also recognizes the interest and responsibility for transportation safety shared by interested parties, especially carriers and their employees.

Representatives of the rail and marine industries also expressed some concern that the investigators' power to quarantine an accident site would unduly interrupt essential transportation services. The first and foremost priority of the board must be to find out what caused the accident in order to improve safety in the future. Without compromising this principle, it is possible for the investigators to have regard to the other objectives of the national transportation policy, namely, efficient and effective operation. The Bill was therefore amended to instruct the investigators to have regard to the desirability of minimizing the disruption to transportation service.

Thus, essential transportation services will be resumed as soon as practicable after an accident, for example, by replacing damaged rails so that trains may again pass through the accident site or by allowing a ship to continue its voyage as soon as possible.

Representatives of labour asked that the privilege accorded to air traffic control recordings be extended to include traffic control recordings in the rail and marine modes of transportation. All members of the Standing Committee agreed, and the appropriate amendment was made.

These amendments and a number of others adopted by the standing committee have improved Bill C–2. The Bill represents a major step toward maintaining the safety of our transportation system. It is the final piece in a series of safety related legislative initiatives in the past several years.

I would therefore like to reiterate my appreciation for the co–operative spirit shown by Members from all sides of this House in studying and debating the provisions of the Bill. I hope that they will now support it on third reading.

The Acting Speaker (Mr. Crosby): The Hon. Member for Annapolis Valley—Hants has a point that he wished to raise.

Mr. Nowlan: I wish to endorse what was stated by the Hon. Parliamentary Secretary to the Minister of Transport. I do not wish to interrupt the flow of debate on Bill C–2, but as chairman of the committee to which the Hon. Parliamentary Secretary referred, in my relatively brief experience as chairman of the Transport Committee, and in my longer experience as a member of the Transport Committee both in opposition and in government, I have never seen a Bill that has moved through a committee in a non–ideological and more positive way and with the assistance of Members from all sides. I wish we could have had a video of how the Bill worked through the committee as an example for other committees on other Bills that do not have partisan involvement as to what can be done.

In conclusion, I wish to compliment the Vice–Chairman, the Hon. Member for St. Maurice, the other members of the committee, and my friend, the Hon. Member for Thunder Bay—Nipigon. I commend all members. In the McGrath spirit of reform of committees there are many things some Members still wonder about.

• (2050)

In terms of the example presented in Bill C–2, I want to compliment all Members from all sides of the House. I have never participated in any committee on any Bill on which there has been a healthier and more constructive consideration by more intelligent and competent Members from all sides of the House.

The Acting Speaker (Mr. Crosby): I am sure that Hon. Members will appreciate those good words and govern themselves accordingly.

I now recognize the Hon. Member for Thunder Bay—Nipigon.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I concur with what the Hon. Parliamentary Secretary just said and my friend and colleague who is the Chairman on the Standing Committee on Transport just said. It was very enjoyable working through the process of this legislation. It was made enjoyable because of the people who showed such dedication in preparing themselves for the committee meetings. I thank them very much for the co–operation that they showed to the Members on this side of the House.

Having said that, there are some issues to which we still take exception. I will very briefly touch on those tonight. In our judgment we feel that the amendments which we proposed to this legislation should have been entertained with perhaps a little more seriousness. We wish even today, as the Bill is in its final stages in the House, that these amendments would have formed part of the legislation.

I might add that the proof of that will come to light to those of us who sometimes practise law when we go to our law libraries at different times and pick up statute citators on this particular legislation. We will look at the legislation and see those areas of the Bill that may have been adjudicated by the courts in this land for interpretation. In summarizing those issues time will tell whether the legislation is in fact operative or whether we should have spent more time on it.

It is interesting to note that this Bill was introduced and read the first time on April 7. It was then debated at second reading stage on April 17 and April 18 and referred to the Standing Committee on Transport on April 18.

After hearing from 45 witnesses the committee reported the Bill to the House, with amendments, on June 8. As I mentioned, we heard from over 45 witnesses, most of whom had many valuable comments, observations, and suggested amendments to contribute to the committee's analysis of the Bill. Yet, despite this wealth of evidence, we were unable to weigh it effectively. We were not able to discern which witnesses presented the most salient, cogent and prudent evidence or the best recommendations.

Within 24 hours of hearing the final witnesses the committee began its clause by clause consideration of the Bill. It was not possible to reflect on the evidence presented and assess which witnesses on balance presented the strongest evidence. Instead, we had to give a cursory review of statements and proposed amendments.

One would have thought that given the importance and implications of this Bill that the Government would have realized and appreciated the merits of giving this legislation more thoughtful consideration, something which could only have been achieved with less stringent time constraints. If the Government were adamant about having this legislation passed before June 30, why was the House convened on April 3? Moreover, why was the Government so intent on passing this legislation before June 30?

As you know full well, Mr. Speaker, Justice Estey is currently conducting a judicial review based on the Gander incident looking only at the four corners of the evidence. Does it not make good sense to postpone the passage of this Bill until the Minister receives a report and the Standing Committee on Transport is given the opportunity to examine the findings and the recommendations, if any, stemming from it?

Let us not be fooled, the Gander crash was most instrumental in prompting the drafting of Bill C–142 which died on the Order Paper in the last session of Parliament and which now forms Bill C–2, the legislation presently before us.

Granted, we are creating a multi–modal board which, along with aviation, will be responsible for investigating rail, marine, and commodity pipeline accidents. However, if it were not for the differing opinions and personality conflicts which made the Canadian Aviation Safety Board inoperative following the Gander crash, I doubt that the Government would have proceeded with such urgency to create this multi–modal board.

In essence, this legislation permits the Government to put an end to the dissension and conflicts which were making the Canadian Aviation Safety Board inoperative and drew greater attention to the controversies surrounding the Board than those surrounding the Gander crash.

Replacing the Canadian Aviation Safety Board with this legislation effectively permits the Government to get rid of those persons who were trying to bring the public's attention to some of the irregularities in aviation accident investigation in Canada.

In fact, these individuals have already received their notice. Would it not make good sense to wait to see if the Estey review sheds any light on why so much dissension surrounded the accident investigation assessment process? We can learn from this, correct our mistakes, and not allow them to happen again.

Many have said that it was personality conflicts which prompted the dissension. How many Canadians do you know, Mr. Speaker, who would be willing to put a $80,000 a year job on the line simply because they did not like someone else? These individuals did what they did as a matter of principle. I compliment those who were the dissenters on the Gander crash. They saw irregularities. They reported them, and now they are being silenced.

If there indeed were irregularities with the investigation of the Gander crash, then this legislation should not proceed. We will not know this until Mr. Justice Estey submits his report which is anticipated in another two weeks. Only then will we be in the position to proceed with the legislation that holds so much importance for accident investigation in our country.

Based on the evidence submitted to it, the committee concluded that the problem area lies more in the realm of the structure and the methodology of accident investigation rather than the number of board members or the powers of the chairman, although the latter are significant. Difficulties with the Gander crash point to problems with how the accident was investigated and how those investigators brought their findings and conclusions to the Canadian Aviation Safety Board for the consideration of the board members and the board panel.

Yet, in dealing with the legislation before us today, there was never an opportunity to examine the regulations of accident investigation. These, I would pose, were the root of most of the difficulties incurred by the Canadian Aviation Safety Board, not personality conflicts. If it were simply a matter of problems with the personnel, replacing them would have resolved any difficulties. While they are being replaced by the current legislation there is no guarantee that the same problems will not be revisited by this new legislation that will be passed because the regulations dictating the investigative assessment process have not been examined.

On May 26 I attended the non-evidentiary hearings of the Dryden crash inquiry in Toronto. Justice Moshansky was appointed commissioner on that investigation. He will be examining as part of the scope of his authority the structure and methodology of accident investigation in Canada, along with determining the cause of the Dryden crash.

As I mentioned earlier, given the importance of such an examination, our Party moved an amendment to Clause 63, which was approved in committee, which will see that this legislation, that which is before us today, will undergo a comprehensive review in January 1993. I am pleased to say that this will allow whatever findings and recommendations which come out of the Dryden inquiry to be considered as they relate specifically to the legislation before us. I would also assume from that amendment that we will be able at that time to look at the recommendations, if any, from the Estey inquiry, and any recommendations which should come out of that inquiry will also be incorporated into the legislation.

• (2100)

I am disappointed in certain areas of this legislation. We proposed a number of recommendations and amendments that we thought were substantial, including the number of members on the board that would make up the multi-modal board. We are still convinced that one of the real problems on the previous board, the Canadian Aviation Safety Board, was the lack of delineation between the powers of the chairman and the powers of the board.

Try as much as we did in this new legislation to delineate the powers of the chairman and the powers of the board, we were unsuccessful in doing so. The question of confidentiality presented us with some problems. We discussed confidentiality in the previous legislation dealing with the Department of Labour Act amendment.

We have great respect for the institution of the collective agreement. We on this side of the House were concerned that the collective agreement was being used in the investigative process. We believe that the confidential statements made between the employer and the employee should remain confidential. If the investigators want any other source of information, they should take their own course rather than rely on those statements given pursuant to a particular clause in the collective agreement. It is our view that the sanctity of the collective agreement in our society should not be touched, for whatever reason or purpose.

We found it difficult to accept another clause. It concerned the acceptability of evidence after it was presented. According to the processes that are outlined and still in this section of the Act, it appears that the reverse onus is one that my colleagues on this side of the House feel even today would not stand the test of the Charter of Rights and Freedoms. That causes us some concern because, as my colleague stated earlier in the debate, we all try for the benefit of all Canadians to bring in the most operative piece of legislation to look into the investigation process within our country.

With those remarks, I am sure my colleague is happy that I will not go into any more detail. We compliment all members of the committee who worked on this legislation. It was an interesting process. Time will tell whether we were successful in the committee.

The Acting Speaker (Mr. Crosby): I should clarify for the purposes of all Hon. Members that I recognized the Member for Annapolis Valley—Hants (Mr. Nowlan) on a point of order, and that the Member for Thunder Bay—Nipigon (Mr. Comuzzi) had unlimited time. I will now recognize the Hon. Member for Thunder Bay—Atikokan (Mr. Angus) on debate.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I am pleased to participate in third reading of Bill C–2, an Act to establish the Canadian Transportation Accident Investigation and Safety Board. Like the chairman of the Standing Committee on Transport, the Member for Annapolis Valley—Hants (Mr. Nowlan), my experience as what turns out to be one of the most senior members of the Transport Committee leads me to believe that this was a very good start for the work of the Transport Committee. We had a Bill that was non–partisan in nature. We all agreed with the intent of the Bill to provide a mechanism to investigate accidents in transportation modes.

There were some disagreements, not just between caucuses but within caucuses in terms of the final substance of that Bill. We must recognize that part of the reason we were able to do that was because of the spirit in which the Government, particularly the Minister of State for Transport (Mrs. Martin) and the Parliamentary Secretary came to the committee ready to listen and learn. They were not locked into the existing wording of the Bill.

As with many other Bills, we all like to think that we are planting seeds by asking specific questions and raising particular points. First, we hope we are indicating an interest, and second, hopefully, we are trying to pull from the witnesses the ammunition necessary to make changes that are appropriate to the legislation.

Of the total amendments that were moved and accepted, 19 of those were authored by Government Members. One amendment authored by a Government Member failed, and I will deal with that later. However, it was an indication that the Government was prepared to listen, at least in those areas.

I agree with the Hon. Member for Thunder Bay—Nipigon (Mr. Comuzzi) that there were areas in which the Government did not listen, even when it was clear some of its own Members supported a point of view different from that of the Government.

We attempted to make some changes and we lost a particular vote on a tie. I hoped the Government would return with a recommendation at this point to make the change dealing with the size of the board, but that did not happen. That is unfortunate. Time will tell whether this will be an appropriate number for the board.

I want to deal now with some of the specifics of the Bill. I spent a lot of time dealing with the issue, both as it related to the Bill and as transportation critic for my caucus. I am pleased that my colleague from Alberta, our energy critic, is in the House because one of the key changes we made was to ensure the purity of the legislation.

The basis of the legislation was that we separate the people who regulate a transportation mode from the people who investigate any accidents. Initially, Bill C–2 included an exemption for pipelines covered under the National Energy Board Act. We began to wonder why and considered that to be very inconsistent with the spirit of the legislation. We moved to change that, and an amendment I put forward was accepted by the committee, in effect by the Government, because it did not in any way attempt to block that change. That is a very important decision that was made not by the Government but by a committee of this Parliament.

The second major change, which deals less directly with the Bill than with all of Parliament, was an amendment I moved that changed the Bill in 22 different places. It is the first time in Canadian law that this has occurred. It is the first time in British Commonwealth law that instead of a chairman of the board we now have a chairperson.

It is to the credit of the Transport Committee which decided to accept that recommendation. I encourage all other committees, as they deal with legislation, to establish or amend boards to change the terminology to reflect the reality of the 1980s and 1990s.

• (2110)

Mr. Speaker, let me go through a couple of the other changes that were made because they are important. No longer does the new Board report to the Minister of Transport. Part of the problem that we found within the Canadian Aviation Safety Board was the perception of conflict of interest. After a lot of thought and bouncing around of ideas as to whether it should be the Minister of Justice, the Speaker of the House of Commons or the President of the Queen's Privy Council, the committee opted to send it to an individual, a Minister who does not have any hands-on responsibility for the operation of transportation, but who is a Member of Cabinet and who can fight for the Board on behalf of the Board for necessary funds in person-years to allow them to do their job. But more importantly, it separates transport from the Investigation Board. That is extremely important because the public has to feel confident that the Board will tell it like it is as opposed to trying to water it down or hide it away; very clearly a separation of powers.

The other change, and this is one of those other examples where there were differences of opinion on the committee, and in fact my colleague and good friend, the Hon. Member for Regina—Lumsden (Mr. Benjamin) and I disagreed on this particular one. That was over the name of the agency. It is now called the Canadian Transportation Accident Investigation and Safety Board. We did not fight about it, but I voted against it because as the Parliamentary Assistant stated very clearly, it is the Minister of Transport and the Department of Transport that is responsible for safety in this country, safety of air, rail, marine and pipelines.

By putting the term safety into the Accident Investigation Board, we may in fact be misleading the people of Canada to think that this agency is the one responsible for it. It will have the responsibility for investigating accidents and making recommendations to the Minister of Transport, and anybody else for that matter, but it is up to those other bodies to make the decision as to whether those changes will be made. Ultimately, the responsibility is with the Government. We differed on that, but so be it. That was the nature of the debate that we had in committee where Members of the Government caucus differed from time to time. I cannot remember whether any Members of the Liberal caucus split on any particular motions, but certainly the option was there. It was very appropriate that we approach it that way.

One of the other areas that we worked on, and it goes back to part of the problem with the Canadian Aviation Safety Board, and that was the personality conflict. There were members of that Board who did not see eye to eye but who were all appointed by the Government of the day, but with no public process, no mechanism to say to the aviation industry that it would have two people on the Board and asking who it would it like to propose. The same thing for marine and for rail. My colleague and I put forward a motion. If it had been accepted, it would have provided for the establishment of a selection committee for each mode. Then we would get people who had the confidence of the transportation areas they would be investigating.

I alluded to this earlier. We wanted to change the number of members on the Board from five to seven because we thought that unfortunately there was more than enough work in Canada to investigate all of these modes of travel and that seven people would be more appropriate. It was lost on a tie vote with the chairman voting for the status quo as is his responsibility. We also attempted to put in place some temporary members so that from time to time, when the workload became too heavy, the Minister could pull in some additional people for the Board to help out.

We also made a number of other changes throughout the Bill, but in a couple of key areas there was a lot of concern expressed. Again, it was over the conflict within CASB in terms of who was to give the chairperson of the Board the power. Should it come directly by legislation or should it be passed on from the Board itself to the chairman? In other words, the five-member Board collectively would decide what the powers of the chairperson would be. The Government Members opted to maintain the existing structure, which is that through legislation the powers are given to the Chair. The reason that we wanted to make it a conscious decision is that if there are problems in the future with a new Board, if we do get fundamental splits, that at the very least we know that the Government of the day had a chance to change it so the power was collective rather than singular, and they would have to accept the responsibility.

The other thing that we tried to do in that same mode was to make sure that the directors of investigation were appointed by the Board rather than the chairperson. Again, we think it is part of the ownership that the Board has to feel good about the decisions and the investigation that is being conducted on their behalf.

Another amendment was to change the reporting system so that the reports would come directly to Parliament rather than going through the Minister and without the necessity for the Minister to have time to respond. A number of other amendments were put forward. We had a lot of discussion and by no means was there a consistent view in terms of whether or not there should be draft reports.

For those of you who are not aware of what the Act says, it provides that a draft report from the Board shall go to Ministers and to interested parties. They have a period of time in which they can respond and point out technical errors. It does not include the recommendations. A number of people argued that there could again be the perception of conflict of interest by allowing the Minister of Transport or a pilots' association or an aircraft company to come back to the Board and get them to change the report. Therefore, we tried at first to delete that reference so that the Board would create a final report and it would become public. That failed. So then we attempted to, at the very least, have appended to the report a list of the changes that were made and why they were made and who they were requested by or, if they were not changed, the fact that they were requested. Everything was above board once again with people feeling confident in what the Board was doing.

In addition to the draft report, there is an interim report that can be requested by any Minister responsible for a department having a direct interest in the subject matter of the investigation; primarily the Minister of Transport, but it could be the Minister of National Defence. Perhaps it could even be the Minister of the Environment. But they can request an interim report when they feel it is warranted because of lapse of time and they know the investigation has gone to a certain point. We wanted to make sure that any observers would also have the opportunity to get that report. It was decided that that did not make sense.

The other thing we wanted to do was to build in an appeal mechanism for when the Board came down with its report, with its recommendations.If a particular group feels that it is not sufficient, or they are not happy with the work that was done—perhaps as was suggested with Gander that they did not look at certain things—currently there is no way formally that they can request the matter to be re-opened. The Board, in its own wisdom, if it gets new evidence, can re-open it, but what we had proposed was a recommendation that they could get in touch with the Minister who in turn would automatically request the Board to re-examine it. So there would be at least a mechanism for their participation once again, just so there would be no way that it could be left hanging.

One of the key amendments that was accepted—in fact the final version was a draft put forward by the Government—was to ensure that communications in all modes of traffic would be treated the same. Initially, the Bill dealt with air traffic control or the air mode, but it was not as concise in terms of rail and marine. So we have changed the Bill to ensure that any communications, whether from the cab of a locomotive or from a vessel to the Coast Guard, are protected under this Act.

One of the unusual things that we did in terms of the railway mode was that we had both the railway companies and the railway unions, two groups that have tended not to see eye to eye on very much, come to us with a concern about the use of the investigators' reports of the statements taken by the Board investigators. They were worried that those could be used in disciplinary hearings between the company and the employee. They agreed that they should not be used, that they should remain confidential. The committee and the Government agreed with that change.

• (2120)

Many other amendments were put forward. I think the key is that we do have a better Bill. It is considerably better than what we started with. We learned a lot. Perhaps in three or four years when we get to the review process I and my colleague, the Member for Regina—Lumsden (Mr. Benjamin), will once again say "I told you so" as we find that something we had tried to do on Bill C-2, which was not accepted, actually would have made things better. However, that is the process we go through.

The only negative concern I have is that we did rush things a bit too much. We had a problem with regard to preparation of amendments because we wanted to find out what the Government was prepared to do in order that we would not duplicate effort. Because of that, some of the amendments we submitted were not translated into one of the official languages. That caused a delay and I can say in retrospect that we probably should have built that into the process to ensure that everything was presented to the committee at the same time and in the same way.

In conclusion, Mr. Speaker, as we did at second reading we will be supporting third reading of this Bill. It is a good day for transportation. I have not dealt with the issue of highway transport but I am sure my colleague will because it is an area of great interest to him. I look forward to seeing the new Board in place. I would encourage the Government to look carefully at who it appoints to this Board to ensure that it has the best possible people available and that they be appointed in a spirit of non-partisanship rather than using it as a resting place for tired old political war-horses. We need some good aviation, marine and rail individuals on this Board to take a good hard look at accident investigations in this country. I thank you, Mr. Speaker, and I thank my colleagues on the Transport Committee for all their hard work.

Mr. Stan Keyes (Hamilton West): Mr. Speaker, we have before us today government Bill C-2, an Act to establish the Canadian Transportation Accident Investigation and Safety Board. At the outset there was some resistance by some Members of the esteemed Standing Committee on Transport during clause-by-clause consideration of the Board to not incorporate the word "safety" in the title of the Act. However, through the insistence of opposition Members we directed the Government's attention to the mandate of the Board, which is found in Clause 7, that is, that "the object of the Board is to advance transportation safety". The Government eventually saw the wisdom of our suggestion and, despite the committee chairman's observation that the title, in his words, "lacked sex appeal" or something very close to that, the TAIB or Transportation Accident Investigation Board was amended to include the word "safety".

I want to make it clear that I do not disagree with the intention of this Bill. In addition to aviation occurrences, the new Board will consolidate and be responsible for investigating occurrences in the modes of rail, marine, and pipelines transportation.

It must be noted that Bill C-2, when enacted, will replace CASB, the Canadian Aviation Safety Board. That was a good idea. CASB did its job, conducting close to 700 investigations a year. It gained a solid reputation in aviation circles around the world. However, a grievous split developed in a most controversial case, Canada's worst air disaster, the crash of an Arrow Air chartered DC-8 at Gander, Newfoundland, in December, 1985, which claimed the lives of 248 U.S. soldiers and eight crew members.

Enter CASB. Four of nine board members, all of them intelligent, capable and knowledgeable, with full credentials, disagreed with the report of the Board which concluded that a thin layer of ice on the planes' wings was responsible for the crash. The Minister of Transport (Mr. Bouchard) endorsed the report which then prompted the four dissenting members to call for public inquiries, not only into the controversial finding that icing caused Canada's worst air disaster, but into air traffic control problems as well.

In light of this and other problems, including the resignation of the Assistant Deputy Minister in charge of Canadian Aviation Safety, who resigned in the midst of controversy over the crash at Gander and the Air Ontario crash at Dryden, the Minister of Transport, instead of attempting to rectify problems that existed within CASB, chose to create a new board, virtually sweeping under the rug any outstanding questions in relation to Gander, Dryden and other problems the Government failed to deal with immediately in air transportation.

So we come to Bill C-2. While there are still many unanswered questions, are we guaranteed that this new Board will address them? Will Canadians ever get any answers? Although multi-modal in design, the new Board is entrusted with responsibilities and authority similar to those of the Canadian Aviation Safety Board. Canadians are no more assured of increased safety now than they were in the past. There is nothing in Bill C-2 to prevent a repeat of the circumstances which led to the end of CASB.

What incredibly convenient timing, Mr. Speaker. The Minister of Transport appoints an eminent outside authority, Mr. Justice Willard Estey, to review the Gander accident investigation and appoints Mr. Justice Virgil Moshansky to conduct an inquiry into the Dryden accident. However, before he is prepared to hear the reports from Estey or Moshansky, important information by the way which could be incorporated into this legislation, we find ourselves here today on a strict government timetable pushing Bill C-2 through the House of Commons.

On the subject of power, it was the contention of many witnesses who appeared before the Standing Committee on Transport that too much power will be handed to the chairman of the multi-modal board. Under Bill C-2 the chairman will have the power to hire and fire investigators, all the financial power, power to set the agenda, and the power to decide what Board members will do what work; all this power in the hands of a single individual. Let us not perpetuate the problems that existed under CASB where the powers were vested in one individual rather than in the Board as a whole. The chairman must be responsible to the Board.

In the overall scheme of things, the public lost its confidence in CASB because a group of Board members had to move out from under the umbrella of the Safety Board in order to publish their own minority report because a powerful chairman attempted to silence them. We can learn from this, Mr. Speaker. The very essence of democracy means to consider many points of view. We welcome and in fact look toward the divergence of opinion in order to judge effectively. Dissent is healthy. This House is a good example of that, Mr. Speaker. The multi-modal Board must make room for dissenting points of view and accept the variety of opinion. It all works toward ensuring that transportation, whether by air, rail, marine or pipeline, is as safe as it can be for all Canadians. That is the ultimate goal.

The Hon. Member for Annapolis Valley—Hants (Mr. Nowlan), the chairman of the Standing Committee on Transport, is, I must say, a modest man. He speaks of co-operation and the spirit of constructive, non-partisan discussions which led us to this Bill. Well, aside from the cigar smoke, our effectiveness was fresh in its approach and a model for other committees to follow, due in large part, I might admit, to the Member for Annapolis Valley—Hants.

• (2130)

I look forward to the new challenges which will come before the Transport Committee. I look forward to the nature of the positive co-operation we received from the Minister of State for Transport (Mrs. Martin), as well as the Minister of Transport (Mr. Bouchard) himself. These of course are precedents which must not be forgotten.

The Acting Speaker (Mr. Paproski): Questions or comments. Debate. The Hon. Member for Regina—Lumsden.

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, I have been wooed, coaxed, pleaded with, and begged with, to not say anything, or asked how quick could I be? I thought to myself, on legislation which I agree with in principle, there has to be something wrong especially if it is brought forward by the Government.

Mr. Speaker, since you and I are getting close to our twenty-first birthday, and I wish we both looked it and felt it, however, I do want to say on this matter that it is something that for seven Parliaments that I have had occasion to get up and speak about, fight about and argue about, and that is the whole issue of safety in transportation. In my years on the railroad, and my father was a railroader, I had some experience on the issue of transportation accidents. In fact, in my years in the railway as a telegraph operator and a station agent, I had to be at the scene of a mishap. There was one in particular which was particularly serious, two passenger trains. There were three people killed and 27 injured in conditions and circumstances that not only all the employees but the officers of the company knew there were some fundamental errors in the operations of the system. I remember that it was about 28 below zero, which I guess is about 20 below Celsius. I was copying train orders on the side of a telegraph pole when we arrived at the scene of the accident. I remember helping pick up some bodies and luggage out of the snow. I remember—

Mr. Flis: On a point of order.

The Acting Speaker (Mr. Paproski): On a point of order, the Hon. Member for Parkdale—High Park.

Accident Investigation

Mr. Flis: Mr. Speaker, I did get up wanting to debate the Bill but I think you recognized the Hon. Member prior to me because he wanted to make a statement or ask a question. I would like clarification. Is he asking a question or is he debating?

The Acting Speaker (Mr. Paproski): He is on debate.

Mr. Flis: On debate. I thought you were recognizing me.

The Acting Speaker (Mr. Paproski): No. There were two Liberals prior to you and there is now the NDP. This is debate.

Mr. Nowlan: On a point of order, Mr. Speaker, so that we can listen to the Hon. Member, I was hoping that you could draw the attention of this little hot stove league here in the House to the fact that they could go behind the curtain and do their business so that we can hear the Hon. Member.

The Acting Speaker (Mr. Paproski): Order, please. If you would just depart behind the curtain, please. The Hon. Member for Regina—Lumsden has the floor.

Mr. Benjamin: Mr. Speaker, the Hon. Member for Parkdale–High Park (Mr. Flis)is what is called a recidivist. Like a reformed sinner or a born again Christian, he has not learned any better the second time in this place.

Mr. Speaker, I was saying before I was so rudely interrupted that I have been there on the ground and I know the terrible experience and feeling when you go through something like that. I have also been through the experience of being summoned to a coroner's inquest. The railway lawyers and the Crown prosecutor took statements from us, interviewed us and cross–examined us on a witness stand.

I will never forget the instructions from the CPR lawyer from Montreal. This was in Calgary in the winter of, would you believe, Mr. Speaker, 1949–50. I will never forget his instructions to us. "Don't volunteer any information they didn't ask you for". It is a good instruction if you have a half decent lawyer. Do not volunteer any information.

Yet when I got that instruction, and I say to my good friend, the chairman of the Transport Committee, I wondered what would happen if I said some things which needed to be said. Then I realized if I did, I would be out of a job. I kind of liked the job. I worked hard at it and I was very conscientious about it. It was one of the reasons, I guess from my own background, why I was so concerned about Clause 24, for example.

I was concerned about statements taken from employees, and who they are taken by and what circumstances they are under because I have been there, damn it. I guess I kind of resented the expertise from legal eagles from the Department of Transport and some of the highly paid consultants and legal eagles who were there on behalf of a few of the witnesses we had. They have never had to do it.

It was the unanimous consensus of the committee in the first five minutes that this was the kind of legislation which we all wanted. One of the concerns we had was that this board must not only be independent but is seen to be. That was the problem which I and some of my colleagues had with Clause 24. I was very proud of the Railway Brotherhood which said they do not want any part of being sent a copy of the draft of the final report to comment on.

The Board should make its report without any comment from anybody. Once it has seen the evidence and heard from its investigators and once it has cross–examined witnesses and heard from the employer, the airline or railway, and have heard all the evidence, it makes its report. Every observer and participant in the hearings will have had his chance to have his say.

• (2140)

Once the Board has heard all the evidence, it makes a report and submits it to the Minister as specified in the Bill. Then if somebody disagrees with the findings of the Board, disagrees with evidence submitted by an investigator or any witness, he can go to the Minister and say: "We would like you to review the evidence". It is in the Bill. But you cannot have an airline, railroad, steamship company, a pipeline company, the Minister or any other Minister who has a direct interest in the matter—that could be the Minister of the Environment (Mr. Bouchard) and a few others I could think of, the Minister of Justice (Mr. Lewis) and the Solicitor General (Mr. Blais)—making interventions on a draft report unless the Board will include those interventions and comments in its final report so that the public will know that this is a full and open public hearing. There will be nothing hidden and nothing secret. I still do not understand why the Government did not accept our Motion No. 10 at report stage, why it would not accept a similar amendment in the committee. It seems to me that it will come back to haunt us if at any time somebody can make some comments and send an intervention and a request to the board based on a draft of a final report.

Once it becomes publicly known that that intervention was made, particularly if it comes from a member of the Government even if the board totally ignores that intervention, the integrity, independence and openness of the board is in question. Why we are passing an otherwise good Bill that leaves that possibility there in the legislation passes all understanding. Why the stubbornness of the Government on this item is beyond me completely. Why would a Minister of any integrity, honesty and reputation even want to have the opportunity? At least the Railway Brotherhood said: "We don't want any draft report. We will have our chance with the observers that we have at the scene of the accident or incident. We will have an observer at all the hearings. We will have all our opportunities to make our representation to protect our members. We don't want access to a draft of the final report".

This one item in this Bill flies in the face of the bitter experience we had with previous accident investigation boards. The Hon. Member for Hamilton West (Mr. Keyes) raised the matter about the CASB. When he mentioned Hamilton I thought to myself, let's not dredge that up again.

Some Hon. Members: Oh, oh!

Mr. Benjamin: We do not need to dredge, but let us learn something from that experience of the CASB. I think through this Bill we have learned something.

I wish the Government would have reconsidered, because I do not think anyone should get a draft of a final report. I know the Minister of Transport (Mr. Bouchard) is going to get one about VIA Rail. If he does not like it, he will send it back. He will get three or four reports by the time this is over. In fact, I am wondering if this is going to be a report from Mr. deBelleval or Mr. Lawless or are we going to get a two-headed report.

By the way, Mr. Speaker, I invite everyone in the House to come to the Transport Committee tomorrow afternoon. We have Mr. Lawless from VIA Rail appearing before the committee. You know that coyote who is in charge of the chicken coop. Why the Government would want to have that provision in this Bill escapes me entirely.

Something else I must express tonight because I am a little bitter about it. I went through this matter with the Hon. Member for Winnipeg South Centre (Mr. Axworthy), with Jean-Luc Pepin and with the Minister for International Trade (Mr. Crosbie). The matter had to do with air traffic control, the safety issue and inspection of aircraft. Once they are more than 10 years old you have to go over them with a fine toothcomb and you have to do it often. We did it during all the debate about airport congestion and airline safety. We did it when we came to deregulation. The Hon. Member for Winnipeg South Centre was the guy who started it. He became Minister of Transport because his predecessor was against deregulation. Jean-Luc Pepin made himself very plain in that matter. I can understand why the Liberal Party does not have the Member from Winnipeg as the critic on transportation. That is a perfectly logical thing for the Liberals to do because they would have a little trouble having him there.

The whole scenario for these many years has been to keep the airlines, railroads and shipping companies happy and profitable. What we have done with the laws in Canada is to force otherwise honest and reputable companies to cut corners. They have no choice when the bottom line is what tells the tale. If you have a jet engine that should be overhauled after 2,000 hours, well, we hear it said let's go 2,500 hours. In 99.9 per cent of the time you would get away with it. What if you have a bad order railway car that is tagged by a car inspector and put on the siding and the supervisor comes along, takes the tag off and the car gets put back on the train again? Any time that happens or is even attempted, you are asking for work to be done by the Transportation Accident Investigation and Safety Board of Canada.

All the protestations I have heard here for 21 years next July 25 about safety being the priority I have heard *ad nauseam*. As the farmer says "If you've never had manure on your boots, you really don't know what the hell you are talking about", and that has been the problem with the 12 Ministers of Transport I have known since I was first elected to the House of Commons. We should have a revolving door on the office of the Ministry of Transport. The amendments we moved at report stage were not moved just for the heck of it. We did not move them because we were Liberals, NDP or Conservatives. We moved them because we knew what the hell we were talking about, and we knew why we were talking about it.

• (2150)

I hope that what I am worrying about will not happen. If it does, I will still be here when the review period expires, but if you are lucky, Mr. Speaker, I will not be here. Surely then someone will make the corrections in the legislation that should have been made at this time.

The Acting Speaker (Mr. Paproski): I do not like to have to interrupt the Hon. Member because he is making a great speech, but his time has expired. In fact, he has gone a little over his time. On questions or comments, I recognize the Hon. Member for Gander—Grand Falls (Mr. Baker).

Mr. Baker: Mr. Speaker, I would like to ask the Hon. Member a simple question, and I am sure that—

Some Hon. Members: No, no.

Mr. Baker: Did you hear the hon. gentleman behind me asking me not to ask a question?

I would ask the hon. gentleman, if he could just listen for a moment, if he could tell us very simply what improvements there are in this Bill over the previous legislation as far as accident investigation is concerned, keeping in mind that Canada's worst disasters have occurred in the last couple of years. Under this Bill, will there be an improvement in the investigation process as it related to the disaster at Gander, Newfoundland, that saw 258 people killed and the absolutely outrageous report made by the previous board? Does the Hon. Member see an advantage in the Bill before us or have we moved ahead at all?

Mr. Benjamin: Mr. Speaker, I thank my hon. friend. He can be sure that in the back of the minds of all the members of the committee was Gander, Dryden, Cranbrook and others. I am sure those incidents influenced the feelings and thinking of all Hon. Members.

I think the Bill is an improvement in the sense that the wording of this Bill contains elements of recognition of errors made in the previous legislation. Quite a bit of this Bill is nothing more than a duplication of the previous legislation, but there were enough modifications made to show that the Government itself recognized what was lacking in the previous legislation. We will only find this out once this Bill becomes law, but I also think that the Government recognizes that it needs to triple or quadruple the number of qualified inspectors and investigators, not only those who act after the fact but those who act while railways, airlines, pipelines and marine operations are in operation. Without that in place, the accident investigation board will have a hell of a lot more to do because there will be no reduction in accidents.

I got the feeling, and I hope I am not wrong, that the Government recognizes this and that beginning in 1990, a substantial amount of money will be provided in the Estimates for the recruiting of bodies with the expertise to enforce the laws that are already in place. If the Government does not do that, I know we will hear from the hon. gentleman and we will hear from guys like me because that is something we have been fighting for for the last many years. Deregulation just compounded the problem three or four times over.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. I recognize the Hon. Member for Parkdale—High Park (Mr. Flis).

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, I could go on for 20 minutes on this issue, but rather than do that, I would refer Hon. Members to *Hansard* of April 18 when I spoke on this Bill at second reading stage. I said it all at that time.

I am rising today because I have received new and additional information since I spoke in the House the last time. I agree with the intent of this Bill which establishes the Canadian Transportation Accident Investigation and Safety Board, but I do not agree with the hidden agenda behind it. The hidden agenda is to cover up the truth about the cause of the accident in Gander which killed 258 American soldiers.

The other hidden agenda behind this Bill is to dismantle the Canadian Aviation Safety Board, the members of which are doing an excellent job now. As we know, five members of the board submitted their report stating that the cause of the accident was icing on the wings while four members of the board with the highest qualifications in aeronautics in Canada submitted a minority report stating that it was not caused by icing on the wings but was caused by some explosion or other force.

Last night I saw colour pictures taken the day after the accident. A helicopter had followed the path of the plane that crashed taking pictures every step of the way. If you saw those pictures, Mr. Speaker, you would see that there was no indentation in the ground where the plane crashed. If the crash was caused by icing on the wings, then as the plane came down, there would have been a gouge in the earth. There is no such indentation in the earth. The pictures show small fragments of the airplane scattered all over the bush. Trees are clipped off from where the plane first started coming in, but there is a row of trees standing while parts of the plane are scattered all over. The only way those parts could get there is if the plane somehow disintegrated in the air and came falling down. One part of the plane has a gaping hole in it. The picture clearly shows that this hole was caused by some explosion, not by icing on the wings.

I would not feel right, having been sent here by my constituents, knowing this information and not sharing it in the House. I share it now before the Bill leaves this House. I know it is going to the Senate and I urge the Senate to conduct a full investigation before giving the Bill Royal Assent. The Senate has the power to call in additional witnesses who were not called under the previous investigation. I invite the Senate to look at the pictures I saw last night and I think it will probably come to the same conclusion to which I came which is that Mr. Justice Estey should be given full powers to reopen the investigation and hear witnesses who were not called before. Then and only then should we pass Bill C-2.

I was the Parliamentary Secretary who passed the Canadian Aviation Safety Bill, Bill C-163. In the debate at that time, we felt we should go with a unimodal safety board and iron out the kinks before we brought in a multimodal board. The Government has not demonstrated that it can manage the nine members of the Canadian Aviation Safety Board. The Minister accepted the report of the five and immediately ordered a secret investigation into air safety. Why did he do that if he believed the report? I highlight that I agree with the intent of the Bill. I do not agree with the two hidden agendas of the Bill. I invite the Senate to do a full investigation before giving approval.

• (2200)

The Acting Speaker (Mr. Paproski): The Parliamentary Secretary to the Leader of the Government in the House of Commons rises on a point of order.

Mr. Cooper: I believe you will find that there exists within the House unanimous consent to allow the Hon. Member for York South—Weston (Mr. Nunziata) to make some remarks on this Bill. I gather the Hon. Member requires approximately five minutes. Then we will wrap up and also quickly deal again with Bill C-4, the energy Bill.

The Acting Speaker (Mr. Paproski): The Hon. Member for Gander—Grand Falls.

Mr. Baker: I would like to have equal time with any Hon. Member who rises on this point just raised.

The Acting Speaker (Mr. Paproski): The Hon. Member for Glengarry—Prescott—Russell.

Mr. Boudria: If there is not unanimous consent, then perhaps we can deal with the situation in the following manner. We could not see the clock until the completion of the speech of the Hon. Member for York South—Weston (Mr. Nunziata). Perhaps we could further consult with Members on the government side and on the opposition side in order to determine whether a slight amount of time is required beyond that. We will speak about that within the next few minutes. Meanwhile, with your agreement, Mr. Speaker, perhaps you could seek unanimous consent to not see the clock for the duration of the speech of the Member for York South—Weston, for the time being.

The Acting Speaker (Mr. Paproski): The Hon. Member for Churchill.

Mr. Murphy: You asked for unanimous consent, Mr. Speaker. I do not believe in open-ended unanimous consent at this time of night. If you allow the Hon. Member for York South—Weston (Mr. Nunziata) to speak, he could have 20 minutes plus 10 minutes for questions and comments. I believe that we should not see the clock until 10.15 p.m. If there is an agreement negotiated before that time, it is agreeable, but at 10.15 we will see the clock.

The Acting Speaker (Mr. Paproski): The Hon. Member for York South—Weston.

Mr. Nunziata: I am not asking for special consideration. I am simply asking for the opportunity to exercise my rights as an elected Member of the House to speak on this Bill.

If the House Leaders or the representatives of the three Parties want to negotiate any type of deal, I do not want to preclude any other Member, whether it is my hon. colleague here or others, from speaking.

The Acting Speaker (Mr. Paproski): The Chair will do whatever the House decides. If we can continue until 10.15 p.m., I will recognize the Hon. Member for York South—Weston, if that is what the House would like and there is agreement. We can then decide at 10.15 whether we should go to the late show.

Mr. Baker: Could you elaborate on what you have stated, Mr. Speaker?

The Acting Speaker (Mr. Paproski): I believe there was a request to extend the hours until 10.15 to allow the Hon. Member for York South—Weston to say a few words, and perhaps also the Hon. Member for Gander—Grand Falls. If we could wind up by 10.15, fine. If not, there will be further discussions or we will go into the late show at 10.15, or carry on after discussions after 10.15.

Shall I recognize the Hon. Member for York South—Weston?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): Then we can decide what we will do at 10.15.

Mr. John Nunziata (York South—Weston): Mr. Speaker, while I regret that we have gone into overtime with respect to the business of the House, I believe it is more important that we deal with the legislation than attempt to rush through a piece of legislation that is considered flawed and a cover-up by a Member who sits on the Transport Committee.

I want to make it clear that I was not a member of the Transport Committee that considered this particular piece of legislation. I did not speak at second reading stage of this legislation, but I have followed the debate tonight. I have reviewed various provisions of this Bill and I have some concerns. My concerns are compounded by the fact that certain members of the Transport Committee have expressed concerns about Bill C-2. When I asked my questions of various Members of the House, including the Parliamentary Secretary to the Minister of Transport (Mr. Belsher) about a provision in this Bill under Clause 3, I was not given an explanation as to what it meant.

• (2205)

Some people would like the Senate to give this Bill more consideration. I commend my colleague, the Hon. Member for Parkdale—High Park (Mr. Flis) for expressing the concerns that he has expressed and through the public record, through *Hansard*, he has requested that the Senate give this Bill some serious consideration. However, I see other flaws in the legislation.

While Members consider passing this Bill, and Members have stood up and complimented one another on how great it was to deal with it in the spirit of non-partisanship, I would submit that there have been some oversights that ought to be addressed. At the very least, I would like to discharge my responsibilities by putting my comments on the record. Hopefully, again, the Senate will consider my submissions and the submissions of any other Member in its deliberations on Bill C-2.

To get to the point with respect to my concerns, we know that the purpose of the Bill is to establish a new board to investigate accidents in Canada. That is fair enough. The Canadian Aviation Safety Board had a lot of problems over the last number of years. It embarrassed the Government on a number of occasions with respect to the Gander crash and the near misses at Pearson International Airport. There was a need for a more comprehensive board or commission. That is fine.

Clause 3 tries to define the purpose of the Bill, or how the Bill applies. Specifically, I will only address the situation of air disasters, when there are crashes involving aircraft. Clause 3(1) states:

> This Act applies in respect of aviation occurrences—

The clause goes on to describe three situations to which the Bill applies. First, it is when the occurrences happen in or over Canada, including the international waters of Canada and the territorial sea of Canada. That is pretty straightforwrd. If an airplane crash occurs somewhere in Canada or within Canadian jurisdiction, then this Bill applies to that particular crash.

Clause 3(1)(b) deals with occurrences in or over any place that is under Canadian air traffic control.

The clause then goes on to state:

(c) in or over any place, if

(i) Canada is requested to investigate the aviation occurrence by an appropriate authority,

That, presumably, refers to a foreign Government which can say to the Board which is established by this Bill: "We want you to investigate. Come in and investigate".

Then it goes on to state that the Bill applies if the aviation occurrence—and we are talking in simple terms of a crash—involves an aircraft in respect of which, or that is operated by a person to whom a Canadian aviation document has been issued under Part I of the Aeronautics Act. I have asked the Parliamentary Secretary and the Chairman of the—

Mr. Nowlan: You got an answer, so speak truthfully.

Mr. Nunziata: I did get an answer.

Mr. Nowlan: What was the answer, my friend? Come to the committee some time.

Mr. Nunziata: I did get an answer. The answer was not satisfactory.

Mr. Nowlan: To your ego. The answer was factual and correct.

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member for York South—Weston (Mr. Nunziata) has the floor.

Mr. Nunziata: The point I made is—

Mr. Nowlan: You got the answer.

Mr. Nunziata: Perhaps I can address the point.

Mr. Nowlan: Well, you can address your ego. That is what you are doing here.

Mr. Nunziata: The Hon. Member advises me that this clause with respect to the Canadian aviation document, the reference, refers to a Canadian plane, let us say, an Air Canada plane or a Canadian pilot. If the aircraft happens to be a Canadian plane or there is a Canadian pilot manning the aircraft, that is fine. In such circumstances I would submit that the Act should apply. What if a plane that departs from Canada, that has over 300 Canadians on board, crashes off the coast of Ireland? Does the Act apply?

• (2210)

Mr. Holtmann: That is not hypothetical.

Mr. Nunziata: It isn't hypothetical. We all know that on Friday of this week it will be the fourth anniversary of the crash of Air-India, when over 300 Canadians perished off the coast of Ireland. To this day there has not been a Canadian investigation into that accident.

In Canada we have had a Royal Commission of inquiry investigating the conduct of a Cabinet Minister. We have had a Royal Commission of inquiry investigating the *Ocean Ranger* disaster off the Atlantic coast.

Mr. Nowlan: It happened in Canada you silly idiot.

Mr. Nunziata: We had a Royal Commission of inquiry that investigated the Hinton rail disaster. Yet we have not had any type of investigation in Canada with respect to an air crash disaster that occurred, fine, not within in Canada, offshore—

Mr. Nowlan: Not driven by Canadians.

Mr. Nunziata: So what, I say to the Hon. Member. Just because the plane did not have a Canadian pilot, just because it said Air-India instead of Air Canada, notwithstanding the fact that there were over 300 Canadians on board on that plane, the Hon. Member, the chairman of the Transport Committee, is saying that we do not investigate. He is saying we do not have jurisdiction. Well, my friend, they were Canadian lives.

You say this Bill is not flawed? You want to investigate accidents that happen elsewhere just because there is a Canadian pilot on board, but the Transport Committee, of which that Member is chairman, does not want to investigate and the Government has refused to investigate over the last four years a deliberate accident caused by a bombing that involved the lives of over 300 Canadians. The Air-India flight originated in Canada, in Montreal. It flew to Toronto where it took on passengers and baggage. Before it landed, it exploded in the sky. The Member, the chairman of the committee, the Parliamentary Secretary and others are saying that this board that is being established under Bill C-2 should not have the jurisdiction to investigate that aviation disaster.

Under normal circumstances one can overlook, on the eve of our summer vacation, a flawed piece of legislation in the haste to pass legislation. However, I submit to you that we have an obligation to ensure that when we pass legislation we do not worry about getting home at ten o'clock at night, we worry about whether this legislation will serve the purpose it is supposed to serve.

I know it is late and Members want to leave. It is 10.15. We are at third reading stage and all the House Leaders want this legislation passed. I say to you that the Bill is flawed. I hope that the Senate will take the time to look at the Bill, think about the Air-India disaster, think about the great disservice we have done to the families of those on board Air-India flight 181, and ask ourselves whether we should be rushing this Bill through the House of Commons.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: On division.

Motion agreed to, Bill read the third time and passed.

* * *

• (2215)

ENERGY SUPPLIES EMERGENCY ACT

MEASURE TO AMEND

The House resumed from Monday, June 5, consideration of the motion of Mr. Epp that Bill C-4, an Act to amend the Energy Supplies Emergency Act and to amend the Access to Information Act in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Murphy: Mr. Speaker, I rise on a point of order. There is agreement among the Parties that we will deal with C-4 right now. I think that should be stated before you actually start the debate. Just as a matter of precedent we have agreed among the three Parties to have a very short debate on Bill C-4.

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

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): It is agreed and so ordered.

Mr. John MacDougall (Parliamentary Secretary to the Minister of Energy, Mines and Resources): Mr. Speaker, on June 5 of this year the Minister of Energy, Mines and Resources (Mr. Epp) introduced Bill C-4 as reported in *Hansard* at page 2542. I would like to refer the said Bill C-4 to a legislative committee as soon as possible.

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

Some Hon. Members: Agreed.

Some Hon. Members: On division.

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

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the House under Standing Order 38 is deemed to have been moved.

AGRICULTURE—PROVINCIAL SOIL AGREEMENTS

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, on June 9 I questioned the Minister of Agriculture (Mr. Mazankowski) on the status of water and soil conservation accords and agreements with the Provinces of Alberta, Saskatchewan, Prince Edward Island and New Brunswick. My question was a follow-up to one asked by my colleague, the Member for Regina—Qu'Appelle (Mr. de Jong) on May 3. At that time the Minister stated that the agreement with Saskatchewan had not been signed because certain criteria had to be satisfied. However he did not specify exactly what these criteria were. The other possibility is that the Minister is not being factual with the House and in that case there is some underlying reason which has not been made clear to the House. I would ask the Parliamentary Secretary to explain if that is the case. I find both of these possibilities hard to accept but I ask the Parliament Secretary to please tell this House and the people of Canada which one it is.

• (2220)

I would also like to know to what criteria the Minister is referring. They must be very important criteria since in the case of Saskatchewan he has had five months to study the agreement and the criteria. It appears to be criteria so important that no one seems to know exactly what the criteria are, criteria so important that the provinces do not know about them. Criteria so important that his own staff does not seem to know about them, criteria so important that perhaps the Parliamentary Secretary himself does not know about them.

I do trust, however, that since the Minister has seen fit to send the Parliamentary Secretary to the House to answer the question he has taken time at least to brief him on these criteria. I am beginning to wonder whether the Minister himself knows what the criteria is to which he is referring. I would ask the Parliamentary Secretary to please explain to this House what criteria the Minister referred to in his answers of May 3 and June 3.

I trust and hope that the Hon. Parliamentary Secretary will not take the arrogant approach which has become a trademark of the Government and not answer this part of my question.

Finally, I and many people across this great land would like to know when these four agreements are going to be signed by the Minister. The Government speaks in glowing terms of the environment, it says that the environment is an important part of its mandate and an important part of the work that it is going to perform over the next four years. Certainly soil and water conservation is an integral and important part of the environment. If this is an example of how the Government is going to act with respect to the environment, Canadians should be warned that the commitment to the environment which the Government pretends to have is nothing more than an elaborate fraud.

Every region of this nation needs soil and water conservation accords from potato farmers in Prince Edward Island to wheat growers in Alberta. Typical are the residents in the Outlook area in my own riding who need some assistance from either the provincial or the federal Government in this important area.

In conclusion, I will simply reiterate my points. First, why is the Minister stating that there are negotiations going on while, at the same time, his staff is denying it? Second, to what criteria was the Minister referring in his answers of May 3 and June 9? Third, when will these agreements be signed? Those are three simple questions, the answers to which are very important to the future of this nation.

Adjournment Debate

Mr. Murray Cardiff (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council and Minister of Agriculture): Mr. Speaker, I appreciate the concern expressed by the Hon. Member for Moose Jaw—Lake Centre (Mr. Laporte) on federal–provincial soil conservation efforts. There is a growing sense of urgency among Canadians that we must act to protect our soil and water resources in order to ensure the long–term viability and prosperity of our agriculture and food industry.

The Government of Canada and the provinces have agreed to work together to safeguard these resources. This commitment was spelled out in the National Agricultural Strategy signed by the federal and provincial Ministers of Agriculture in 1986.

The National Agricultural strategy calls for a co–ordinated soil and water conservation program adapted to meet the particular needs of each province. It was agreed that the program should include awareness and education programs, improved extension, technical and advisory services, more on–site demonstrations of conservation techniques and additional research.

In December, 1987, the federal Government responded with the National Soil Conservation Program that made funds available for a new nation–wide push to conserve and improve Canadian farmland. This three–year, $150 million co–operative effort between the federal Government and the provinces will encourage long–term soil conservation measures.

As envisioned in the National Agriculture Strategy, the program will involve on–farm technical and financial assistance, demonstrations, research and monitoring.

• (2225)

This approach recognizes that it is the farmer who is on the front line of the soil conservation battle. The program will also work to increase public awareness about the need to conserve our soils.

Program components will be tailored to reflect the nature and extent of problems in each region. Federal funding will be distributed based on the extent of soil degradation problems and the availability of matching funds in each province.

The federal Government has successfully reached basic soil and water accords with the provinces. These accords give us a framework for future consultation and planning on all agriculture soil and water issues.

We are now working on actual agreements for soil conservation activities under the national soil conservation program. We are also working out the financial and administrative arrangements with each province.

Negotiations have taken place with the provinces. The Hon. Member for Moose Jaw—Lake Centre has expressed his particular concern about the agreement with Saskatchewan.

In the case of Saskatchewan and the other western provinces, factors such as last year's drought had to be taken into consideration and changes made to the original proposals.

We have done that, and we expect the agreement with Saskatchewan to be concluded in the very near future. This Government recognizes the importance of conserving our soils. Once the agreements are signed, we are prepared to move quickly to put in place the national soil conservation program.

AIRPORTS–CANADIAN AVIATION SAFETY BOARD RECOMMENDATIONS/AIR TRAFFIC CONTROLLERS

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I intervene this evening due to my growing frustration over this Government's inability and its unwillingness to respond to the safety deficiencies at Pearson International Airport.

I am here to pursue a question which I asked on April 5, 1989. It is absurd that after a full two months, we are still waiting for this Government to address in an effective manner, the safety problems at Pearson Airport.

An article in the *Globe and Mail* on June 1, 1989, entitled, "Making Canada's Airports Safe" said that: "A lack of safety in air traffic control is being blamed for near collisions at Toronto's Pearson Airport". The article goes on to say: "—the safety problem at Canada's largest airport, like the problem that plagues other major Canadian airports, boils down to economics—Airline deregulation, with the major opportunities it has provided for lower air fares and significant increases in airline travel, this deregulation has posed no problem for the private sector. Private suppliers have provided more planes, more in flight meals, more stewardesses, more pilots and more fuel to respond to the increased demand for air travel. However, no corresponding expansion has occurred in the supply of airport facilities—" This is a failing of this Government, Mr. Speaker.

I informed this House two months ago that a Department of Transport document clearly outlined in June, 1987, that the Government totally failed to make adequate effects on airline deregulation. More specifically, I advised the Minister of Transport (Mr. Bouchard) on April 5 that Canadian travellers cannot afford to play Russian roulette with air passenger safety. I asked the Minister: "What are you doing about controllers at Pearson so that the safety of Canadian air travellers can be assured?" This Government has a very difficult time in answering questions about air safety. Every time I have made an intervention in this House, I have been given a response relating to air traffic delays. It is precisely because I do understand the difference between safety deficiencies and air traffic delays that I continue to raise this issue, obviously in vain.

The Minister of Transport, for example, responded to my question saying: "People who are surprised at the delays at Pearson should understand that the directives are quite clear. We handle the number of flights that our air traffic controllers can handle". Delays, Mr. Speaker, are a symptom of the unsafe condition. There are not enough air traffic controllers at Pearson.

If conditions at Pearson were safe, we would not have experienced the three misses, one on December 20 and two on January 10, which happened within three hours of each other.

I know, Mr. Speaker, that time is running on. It is half past the hour. It has been a long day. Let me just close by saying that perhaps the Hon. Parliamentary Secretary may wish to explain to Canadian air travellers why this Government, in light of its self proclaimed commitment to safety, has chosen to reduce funding to air traffic control services by $3,575,000, or 67 person-years as outlined on page 2–57 of the 1989–90 Transport Department estimates for this year.

• (2230)

Is this an example of this Government's commitment to safety? If it is, we are in serious trouble. In light of these facts, will this Government stop giving Canadian air travellers false assurances? Will this Government undertake to inform air travellers using Pearson International Airport that there are safety deficiencies that do exist? It is their duty and obligation to do this.

Mr. Ross Belsher (Parliamentary Secretary to Minister of Transport): Mr. Speaker, in response to the Hon. Member for Thunder Bay—Nipigon (Mr. Comuzzi), I would like to begin by assuring Canadians that the skies are safe. The specific reference to Lester B. Pearson Airport in Toronto, I would remind the Hon. Member that the Ministers of Transport have recently completed extensive consultations which will lead to the development of a comprehensive plan for the whole of southern Ontario air space. An announcement will be made in due course.

I would like to emphasize that while we do have a shortage of air traffic controllers at Toronto, the traffic flow is always matched to the controllers' ability to safely handle the traffic. This means delays, not a decrease in the level of safety.

I would also like to assure Members and the travelling public that every conceivable effort is being made to rectify this shortage situation. I want to assure Canadians that the training program is proceeding at full capacity. Day and evening training is being conducted to maximize the time available for simulation training. The content and length of the basic ATC training course is being examined to safely maximize the number of trainees that can be accommodated.

Members will also know that a special emphasis has been put on recruiting Canadians with previous civil or military experience as Air Traffic Controllers. Such experienced people are able to benefit from an abbreviated training course so that they can get their on-the-job training as quickly as possible. As well, the Department of Transport has entered into a program to hire up to 45 foreign experienced controllers who will be employed in four-year term positions. At this moment there are 14 American former controllers presently training on the job in Toronto. One American has recently qualified and seven more are very close to doing so.

As the Minister has indicated on many occasions, he intends to avail himself of the expertise of both industry and government to assist him in ensuring that we have the right resources and that they are used in the right way in order to meet the changing needs of the future. To this end a task force has been established and work is ongoing.

OCCUPATIONAL HEALTH AND SAFETY—CLOSURE OF CENTRE—GOVERNMENT POSITION—RIGHT OF CANADIANS TO INFORMATION

Mr. George Proud (Hillsborough): Mr. Speaker, when I first came to the House I heard Members talking about the late show. Now I know what they mean.

I rise pursuant to a question I asked on June 13 regarding the Canadian Centre for Occupational Health and Safety. In reply to my question to the Minister of Labour (Mr. Corbeil) regarding the federal Government's elimination of funding for the centre by April 1, 1991, I was told that the centre would not close.

This, in my opinion, is difficult to believe given this Government's fiscal plan for the centre. Unless the centre becomes self-financing by 1992, it will in all likelihood be forced to close.

At the present time the federal Government contributes approximately $8 million a year to the centre's operations. For the fiscal year 1989-90 the funding for the centre has been cut by $1.5 million. This is only the beginning. In 1990-91 the funding will be furthered reduced by $4.6 million and by April 1, 1991 the centre will be entirely cut off from federal funding. This certainly puts the centre's survival into question and the good useful work of the centre, as described by the Minister of Labour, in jeopardy.

The centre was created in order to promote the fundamental right of Canadians to a healthy and safe working environment by creating a national institute concerned with the study, encouragement and co-operative advancement of occupational health and safety. Since the centre's inception in 1978, the centre has done just that by providing the Canadian workforce with valuable information regarding work place hazards.

The centre's statistics are impressive. In 1988–89 alone, the centre answered by phone and mail over 26,000 requests from individuals for occupational health and safety information. Its newsletter had an international following of over 35,000 readers and it distributed over 350,000 publications in response to requests.

• (2235)

These statistics represent the fact that the centre is providing a useful service to Canadians. In the wake of its increasing popularity, the Government has introduced unprecedented cuts to the centre's funding with the goal of self-sufficiency by April, 1991. In keeping with this, the Minister of Labour (Mr. Corbeil) has asked the President and Chief Executive Officer of the council to produce a plan for alternative funding for the centre.

There are funding alternatives that have been presented so that the centre will not be forced to shut down come April, 1991. The centre could raise money through fund-raising projects, from a capital loan from the Government, by charging for present services, from provincial grants or through assimilation into a federal Department. The Minister has, however, ruled out federal funding, charges to ordinary users and assimilation into Labour Canada. None of the funding alternatives which have been proposed could alone meet the financial needs of the centre.

Given the alarming statistics regarding occupational health and safety in Canada, we know there is indeed a need for the services provided by the centre. Over 800,000 work days are lost annually by Canadians due to disabling injuries and over 440 lives are lost yearly due to industrial accidents. It is as a result of this that over $7 billion is spent annually to cover medical expenses, compensation for lost earnings, pensions, insurance and loss of production.

These statistics are disturbing. How can the Government justify these cuts, particularly since it has made such a strong contribution to the cause of Canadian workers only to leave them with absolutely nothing? Workers deserve Government action in eliminating occupational hazards in the workplace. In this vein, the Canadian Occupational Health and Safety Centre must continue as an independent national tripartite organization.

The centre provides a necessary service to Canadian workers and should extend this information service, not have it curtailed by fiscal restraint. In the meantime, alternative funding mechanisms should be investigated so that some products could be developed in order to increase revenues. These mechanisms should not, however, be permitted to impair the reliability of the centre's information work or the flow of information to the Canadian Centre for Occupational Health and Safety. Canadians have a right to this information and they should get it. What is the Government's intention for the health and safety of Canadian workers and for the future of the centre?

Mr. John A. MacDougall (Parliamentary Secretary to the Minister of Energy, Mines and Resources): Mr. Speaker, I want to reassure the Hon. Member for Hillsborough (Mr. Proud) and this House that the planned reductions in the funding of the Canadian Centre for Occupational Health and Safety will not result in the closing of the centre. The reductions merely reflect the Government's belief that the centre is now a viable enterprise capable of becoming more financially self-sufficient. The centre has already demonstrated that it is able to recover some of its costs. In the last fiscal year, for example, it recovered $440,000 while in this fiscal year it plans to recover $1,400,000. I have no doubt that the centre can earn even more of its income from its operations.

For 11 years since its creation in 1978, the centre has been provided with the financial support it needed to establish itself and to develop a variety of useful information services. Today, the centre is able to provide a full range of services. They range from technical bulletins to a set of compact discs containing volumes of information on every aspect of occupational safety and health. This latter product is called a CCINFO disc. It is an innovative use of compact disc technology which has received international attention.

I am convinced that most of its clients, especially corporate ones, are prepared to pay the centre for the true value of creating these and other products. Although the centre will have to charge for its products, I want to assure this House that all Canadian workers will be able to receive the information they need through their employers to do their jobs safely. Please allow me to explain.

The Pan-Canadian workplace hazardous materials information system and other federal, provincial and territorial occupational safety and health legislation gives workers the right to be informed of the hazards associated with their jobs. It is the duty of employers to provide their employees with this information. This legislated requirement will provide the centre with a considerable market for its information services.

In closing, I believe that the planned reductions in the centre's funding will neither close it down nor deprive Canadian workers of essential information.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

The House adjourned at 10.40 p.m.

HOUSE OF COMMONS

Wednesday, June 21, 1989

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*English*]

OCCUPATIONAL HEALTH AND SAFETY WEEK

PROMOTION OF SAFETY IN THE WORKPLACE

Mr. George Proud (Hillsborough): Mr. Speaker, June 18 to 24 marks Occupational Health and Safety Week. This year's theme is "Safety Takes Teamwork". In this effort the Canada Safety Council, the Canadian Centre for Occupational Health and Safety and the Canadian Standards Association have joined forces to promote safety in the workplace. In doing so they help to promote safety awareness among Canadian business, industry and government.

Notable advances in occupational health and safety have occurred in Canada over the past decade. The inception of the Workplace Hazardous Material Information System by governments throughout the country ensures access to data and instruction on how to handle dangerous material by workers. The creation of the Canadian Centre for Occupational Health and Safety in 1978 was also a positive step. The Centre gives access to information regarding hazards in the workplace.

Despite these efforts the rate of accidents in the Canadian workplace is still substantially high. However, we must continue to build on these improvements so that some day all Canadians can work in a healthy and safe environment.

INDUSTRY

OPENING OF PLANT IN PICKERING

Mr. René Soetens (Ontario): Mr. Speaker, last week on two separate occasions I rose in the House to advise you of some very positive investments taking place as a result of good government policy. One investment was in the pharmaceutical industry in Whitby and the second was in food processing in Trenton. I would like to inform you that another company has just opened a new 50,000 square foot plant in the town of Pickering employing some 50 people.

A British company, David Brown Gear Industries, required a new distribution facility for its products in Canada and wanted to open a warehouse as well in the United States. For your information, Mr. Speaker, I have paraphrased the comments of Mr. Brown, the Chairman of the Board, at the opening ceremonies of the new facility in Pickering. He said, although we had planned to open a new facility in both Canada and the United States, because of the Free Trade Agreement we decided to take advantage of the opportunity provided by the FTA and built a larger facility in Pickering.

He also advised me that because of the healthy economic environment for business in Canada they may also open a manufacturing facility here in Canada. It is encouraging to see the results of good Conservative policies creating jobs in Canada.

* * *

NATIONAL DEFENCE

ARMED FORCES DAY

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, this coming Friday morning at ten o'clock the ceremonial guard will perform the changing of the guard on Parliament Hill. Today in Ottawa over the lunch hour the Dominion Carilloneur provided a traditional salute to the Canadian Forces.

On behalf of my colleagues and my constituents from Bonavista—Trinity—Conception I wish to convey our

thanks and appreciation to the men and women in uniform of the Canadian Forces for the professional and effective way in which they continue to maintain Canada's safety, sovereignty and security, and for working so successfully with our allies to maintain global peace. I would also like to include our DND civilians whose dedication and support are fundamental and essential to the success of the Canadian Forces.

Armed Forces Day will be observed this year on Saturday, June 24, and many Canadian Forces bases will be open to the public. I encourage everyone to visit our military and meet the men and women of the Canadian Forces who serve us so well.

* * *

HEALTH

VANCOUVER'S NEEDLE EXCHANGE PROGRAM

Right Hon. John N. Turner (Vancouver Quadra): Mr. Speaker, Vancouver's Needle Exchange Program is a courageous initiative by Mayor Gordon Campbell and Vancouver City Council. The program not only provides drug users with clean syringes, but it dispenses educational literature, condoms, advice on safe sexual practices and materials to clean syringes.

The program is working. The response rate from drug users is six times higher than expected. No new people are known to have started taking drugs as a result of the program. Indeed, the opposite has happened; people have started seeking help for their drug problems and the program has undercut the black market for drug paraphernalia.

The federal Government has so far refused to provide financial assistance to Vancouver for the program. That is wrong, and I have already written to the Minister of National Health and Welfare (Mr. Beatty) to tell him so. I understand some Canadians' prudish attitudes, but we have a crisis on our hands. AIDS causes pernicious pneumonia, cancer, wasting syndrome, brain lesions, seizures, spasms and death.

We are long overdue for a national strategy to help prevent the spread of AIDS and to treat people living with AIDS with dignity. Vancouver's Needle Exchange Program is exemplary. I urge the federal Government to begin to provide funding for that program. This is not just a municipal issue or a Vancouver issue, this is a national and international tragedy and it is about time that the Minister of National Health and Welfare got off his butt and responded to the situation.

[*Translation*]

HOUSE OF COMMUNS

CANADIANS AND THEIR SYSTEM OF GOVERNMENT–AUDIO VERSION

Mr. Guy St–Julien (Abitibi): Mr. Speaker, I would like to thank you and to congratulate the Public Information Office of the House of Commons, as well as the Canadian National Institute for the Blind, who together produced the talking book which you presented yesterday and which is the spoken version of Eugene Forsey's Parliamentary Guide on Canadians and their system of government.

This work, which contains a wealth of information on the Parliament of Canada, is recorded on audio–cassette and is part of a special series for the disabled.

Mr. Speaker, as you rightly said, whoever does not have access to information these days is left behind. We live in an information society and the House of Commons has shown its commitment to the full and equitable participation of the disabled.

Mr. Speaker, all Members thank you for your remarkable initiative.

* * *

• (1410)

[*English*]

EXTERNAL AFFAIRS

CRISIS IN CHINA

Mr. Howard McCurdy (Windsor—Lake St. Clair): Mr. Speaker, the Canadian ambassador to China has returned to tell the story of its Government's war against its youth, a story made more compelling by the personal pain of his experience. Yet he suggested that economic sanctions directed against that country would be ineffective because of the size and the essential economic autonomy of China.

Will the Canadian people accept this so–called conclusion of such a rational analysis? Does the power and size of a nation provide for a contemptible government immunity from tangible expressions of international contempt? Should Canada and the International Community of Nations be bullied into apparent acquiescence

to infamy? I think not. I believe the Canadian people think not.

I pray that the Canadian Government will think not and that for Canada and China it will not be business as usual.

* * *

AGRICULTURE

PLANT BREEDERS' RIGHTS

Mr. Walter Van De Walle (St. Albert): Mr. Speaker, I would like to impress upon the House and on my hon. colleagues the importance of the plant breeders' rights legislation. Canada is one of the very few agriculturally developed countries that does not have a legal mechanism to protect the inventors of new varieties of plants.

Consequently, Canadian research is left to universities and government agencies rather than the private sector. This situation puts Canada far behind most developed countries. In order to compete on the world market, Canadian farmers require hardy, high-producing plants that are disease and pest resistant.

The realization of plant breeders' rights would enable Canadian farmers to compete in global markets. I would like to add that consumers will also benefit from lower prices. I urge my colleagues to support this important legislation.

* * *

THE ENVIRONMENT

RAFFERTY-ALAMEDA DAM PROJECT

Mr. Len Gustafson (Parliamentary Secretary to Prime Minister): Mr. Speaker, I rise today to speak out on behalf of my constituents in support of the Rafferty-Alameda dam project. Southeastern Saskatchewan needs this project.

The overwhelming consensus of area residents is that this project represents a practical plan for sustainable development of our region.

We are upset that our future is being jeopardized by those who are unfamiliar with our region of the country. It is unfair that we have opposition from people who have not seen the project firsthand, which is not a productive valley.

As a long time resident of the region and as chairman of the federal task force on drought, I can testify to the great need for water management. Few people in this country understand the dominant role which water plays in controlling the future of this area.

While opponents of the project make the point on the environment, I would like to remind the House that sustainable development, as defined by the Brundtland Commission—

Mr. Speaker: I am sorry, the Hon. Member's time has expired.

* * *

HOUSING

CMHC FUNDING FOR PRINCE CHARLES PROJECT

Mr. Jim Karpoff (Surrey North): Mr. Speaker, we are seeing attempts by government Ministers to play down at least four donations totalling $4,800 made to the PC Fund and to two Conservative ridings, including that of the Minister of Employment and Immigration (Mrs. McDougall) from moneys laundered by Patricia Starr from CMHC guaranteed funds.

These donations came from the capital bank account of the Toronto section of the National Council of Jewish Women controlled by Patricia Starr. The source of some of these funds, which the Minister of Housing (Mr. Redway) has confirmed in this House on Monday, included CMHC guaranteed funds meant to be used for consulting fees on the Prince Charles housing project.

As neither the Minister of Employment and Immigration, nor the Minister of Housing understands the seriousness of this matter, I call on the Prime Minister (Mr. Mulroney) to realize that the integrity, not only of the public contracting system, but that of his Government is at stake, and for the Prime Minister to ask for an open investigation into the involvement of the Minister of Employment and Immigration and the use of CMHC funds in the Prince Charles project in Toronto.

Oral Questions

LIBERAL PARTY

LEADERSHIP STAKES

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, they are at the post and they are off and running in the longest Liberal leadership stakes.

The former Member from Shawinigan Farms is the early favourite but he has been running hard for the past five years and is carrying excess baggage to go the distance.

The current Member from Lasalle–Émard Stables had a disastrous debut in the House of Commons and is not expected to hold the pace.

The grey gelding from Windsor is an old work horse and outclassed in this field.

The western entry from Winnipeg soft centre is just coming off an injury suffered in a dispute with a provincial stable mate and is not expected to show.

The young Island entrant from Humber—St. Barbe has not matured well and is not expected to put up a challenge.

The nag from Hamilton was making much noise in the paddock but was scratched before entering the gate.

* * *

NUCLEAR ARMAMENTS

DISARMING OF NUCLEAR SHIPS

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, the Soviet Union and the United States are taking a small step towards disarming the seas. They will be sending warships to each other's ports which will be disarmed of their nuclear capacity.

Two weeks ago, the Neptune report, released by Greenpeace, demonstrated the absolute insanity of arming our seas with nuclear weapons and nuclear powered vessels. The report demonstrates that since 1956 there were nine nuclear reactors and 50 nuclear warheads lost on the ocean floor as a result of accidents at sea. Many more accidents and fires involving nuclear material have also occurred.

On June 8, 1989, the Secretary of State for External Affairs (Mr. Clark) stood in this Chamber and stated: "When there are nuclear weapons there are going to be accidents". There is only one answer. Let us prevent accidents by preventing nuclear weapons in Canadian waters.

I call on this Government to follow the example of New Zealand and ban all vessels with nuclear capability from Canadian ports.

* * *

MULTICULTURALISM

APPLICATION OF POLICIES OF BILINGUALISM

Mr. J. W. Bud Bird (Fredericton): Mr. Speaker, no mission is more challenging or important to the Members of this House than is the building of our country in unity and in harmony within the concept of diversity as represented by our two official languages and our several cultural origins.

No province has demonstrated more successfully the spirit of humanity, tolerance and goodwill that is the essence of this unique Canadianism, than has my own Province of New Brunswick over the past many years.

Therefore, I take particular pride in the results of a poll released yesterday that reflect clear and continuing support by the large majority of New Brunswickers for the fair application of Canada's policies of bilingualism. I would respectfully urge all of the provinces of our nation to pursue the principles of respect for minority rights which have long characterized the quality of life in New Brunswick.

Canadian unity, with every province at the table, is the goal we must all seek. Nothing less will ever suit, as our heritage to future generations of this country.

ORAL QUESTION PERIOD

[*Translation*]

FINANCE

THE NEW SALES TAX—PREVIOUS STATEMENTS BY MINISTER

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I would like the Minister of Finance to explain to me why, in answer to my question yesterday, he denied saying two years ago that he was considering imposing only a federal sales tax, although that is just what he said in his speech to the House of Commons two years ago.

Why did he say two years ago that with a sales tax that excluded the provinces, the hidden tax would disappear, when he tells us today that he does not have the constitutional power without the provinces' agreement?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, in June of 1987, the White Paper that we published set out three proposals. One proposal was a national sales tax which would involve the provinces, a federal–provincial sales tax. That was the objective which we have been working towards up until just before this last Budget.

• (1420)

IMPACT OF NEW TAX

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I am not going to let the Minister get away with this because here is what he said. Yesterday he claimed that his reason for misleading Canadians two years ago was that all along he assumed that the provinces would be part of a sales tax proposal. Two years ago in the House of Commons on June 18, 1987 this is what he said:

> Two federal–only sales taxes are also being considered: a Goods and Services Tax and a Value–Added Tax. Sales tax reform will eliminate the hidden tax in the prices consumers pay.

Why, yesterday in the House of Commons, did he misrepresent what he said in the House of Commons two years ago. Why did he not know then when he proposed two federal–only taxes that he did not have the constitutional powers he now maintains will force retailers that ascribe the tax to add the tax to the sales slip?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me give it to the Leader of the Opposition very clearly. Our proposal is to replace a 13.5 per cent tax which is buried deep in the production process. By the time it reaches the retail level, nobody in this country can tell just what the precise retail tax impact is.

Let me give the Hon. Member some examples from the White Paper of June 18, 1987. For household furniture there was a variation of five points between the high effective tax rate at the retail and the lowest effective tax rate. For kitchen utensils, seven points; for garbage bags and paper plates, six and a half points; for lubricating oil and grease it is a seven and a half point spread.

The point that I am making is with the new tax it will be the same for all products across the board that are taxable. That is why I say that this tax is very clear. It is very visible for the consumer whereas with the old tax one could not tell because of that huge spread between the high effective rate and the low effective rate.

POSITION OF MINISTER

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, that does not disguise the fact that two years ago he told the House of Commons that there would no longer be a hidden sales tax.

The Minister claimed yesterday in the House of Commons in response to my question that his reason for changing his mind about the sales tax, and whether or not it would appear on sales slips, was that he had lost the constitutional power. I want to quote what he said to us yesterday:

> Two years ago we were working on a national sales tax which would have involved the provinces. Once we moved away from a national sales tax—then we lost that control.

That is not what he said earlier. He contemplated two federal–only sales taxes and he said they would eliminate the hidden tax. Two years ago he said he would eliminate the hidden tax with or without the provinces.

Once again I ask the Minister to explain why he has changed his mind. Why did he disguise the true situation to Canadians and why he is now welshing once again on a promise he made to Canadians two years ago?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there is no changing of minds. There is no welshing on promises, as the Hon. Member has said. That is the normal nonsense that we get from this man.

What the Leader of the Opposition has stated is that I said that it would not be on the invoice. I would like him to show me where I have said that at any time that this would be in the invoice. I have made it quite clear that it would not be—

Mr. Turner (Vancouver Quadra): Caught again.

Mr. Wilson (Etobicoke Centre): I said it would be very clear to Canadians what the tax would be. There will be a sign in stores—

Mr. Turner (Vancouver Quadra): Isn't that nice?

Mr. Wilson (Etobicoke Centre): There will be a sign in stores that will say—

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): —9 per cent goods and—

Mr. Nunziata: That is a joke.

Mr. Speaker: The Hon. Minister.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, there will be a sign in the stores which will say that there is a 9 per cent goods and services tax included in the price of the item.

Mr. Turner (Vancouver Quadra): How do you have the power?

Mr. Wilson (Etobicoke Centre): The Hon. Member says how do I have the power? It is generally accepted by retailers that this is what they will be doing. There is agreement among the Retailer's Association, the Small Business Association and the Consumers' Association in that there should be a sign in the stores.

An Hon. Member: That is stupid.

* * *

IMMIGRATION

EXTENSION OF STUDENT VISAS

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of Immigration. It concerns the deteriorating situation in China.

Earlier today we were all shocked and dismayed to learn that three students were the first to be executed by the Chinese Government for their role in the demonstrations. Moreover, our Canadian Ambassador to China yesterday informed the External Affairs Committee that in reference to Chinese students in Canada, and I quote:

> I'd keep a very low profile. The struggle is important but don't get yourself photographed.

Since a policy of ruthless revenge seems to be the response of the Chinese Government, and since Chinese authorities in Canada are monitoring and pursuing the actions of Chinese students on Canadian soil, I ask the Minister rather than simply extending the student visas of these students, is the Government prepared to establish a special program that would allow these students to make application directly for landed immigrant status in our country?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I assured the House yesterday that all those Chinese citizens who are in Canada as visitors, in whatever form, students, temporary workers, tourists, need have no fear that they will be asked to leave Canada as long as the situation in China remains threatening for them.

I think at this stage that we are doing everything we can on behalf of Chinese citizens in Canada and we will continue to do so.

REQUEST FOR LANDED IMMIGRANT STATUS FOR CHINESE NATIONALS

Mr. Sergio Marchi (York West): Mr. Speaker, my supplementary question is for the same Minister. I think everyone in the House appreciates the action of the Government.

Some Hon. Members: Hear, hear!

Mr. Marchi: In light of a possible wave of executions, which have already begun, is the Government is prepared to go the extra step? In the past in natural disasters, such as the 1980 earthquake in Italy, the Government reacted by allowing families here to sponsor individuals to come to Canada and visitors were allowed to make application for landed immigrant status. The precedent is well set. The situation in China makes other situations pale by comparison.

I am asking the Minister once again. Rather than suggesting there should be no fear because people will not be returned now with the possibility that they would have to return at some point, why cannot the Government say to these 4,000 students "We will give you the voluntary possibility of having permanent landed immigration status in Canada while you are here". What is so wrong with saying that, Madam Minister?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I do not think there is anything wrong with saying that. I think that what we have done so far is indicate that we want the Chinese citizens in Canada to have as much flexibility as possible. That is why I have encouraged them to go to our office. That is why we have extended the visas even though many of those visas do not yet expire. We have not ruled anything out. What we are doing is looking at the situation every day, both in our offices across Canada and in the Government to ensure that we are doing everything we can to be helpful.

NATIONAL REVENUE

CHARITABLE STATUS OF GROUP

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I am forced to pose this question since the official muckraker for the Liberal Party seems incapable of doing so.

Some Hon. Members: Oh, oh!

An Hon. Member: Which one?

Mr. Rodriguez: My question is for the Minister of National Revenue. When the Toronto section of the National Council of Jewish Women first applied for charitable status in 1986, it was denied because the Department ruled that the Foundation did not appear to be providing housing exclusively for those who needed charity. Four months later the Department reversed its decision and charitable status was granted, contingent upon housing at the Prince Charles complex being provided exclusively for charitable cases. Why did the Department reverse its decision?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, it is normal procedure for the Department of National Revenue to work with any and all applicants for charitable status licences. This was the case with the National Council of Jewish Women, Toronto section. The Council co-operated at that time in changing its regulations to comply with the laws, as it is co-operating now with the investigation under way. That is why we are satisfied that all corrective action by that council has been taken in accordance with the rules and regulations of its charitable status.

• (1430)

MINISTERIAL CONTACT

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, Canadians are concerned that in fact a charitable organization got taxpayers' money because the Minister of Employment and Immigration intervened and in turn got a contribution to her political campaign. My supplementary question—

Mr. McKnight: Now you're the number one muckraker, John.

Mr. Rodriguez: —is directed to the same Minister. Can the Minister of National Revenue confirm that the Minister of Employment and Immigration contacted the Department to support the application for charitable status for this organization?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, I understand that in the normal course of events the Minister's office makes routine contingency inquiries on the status—

Some Hon. Members: Oh, sure.

Mr. Jelinek: They say: "Oh, sure". My office in the Department of National Revenue receives between 6,000 and 7,000 inquiries from Members of Parliament on both sides of the House, including from the Hon. Member for Nickel Belt.

If he is suggesting that Members of Parliament should not represent their constituents, then I am suggesting that he should resign his seat and go back to doing whatever he was doing before.

Some Hon. Members: Hear, hear!

Mr. Rodriguez: I am asking questions of the Minister, and he is refusing to come clean and straight with us.

MONITORING OF PRINCE CHARLES COMPLEX

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have a final supplementary question for the Minister. Surely he cannot say that there is a Santa Claus, Barbara, because there is no Santa Claus.

Mr. Speaker: I would ask the Hon. Member to put his question.

Mr. Rodriguez: Mrs. Starr has confirmed that only 60 per cent of the housing at the Prince Charles Complex is for charitable cases. Can the Minister tell us what monitoring was done to ensure that the housing at the Prince Charles Complex was provided exclusively for charitable cases?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, in the absence—

An Hon. Member: Not you.

Mr. McDermid: Well, I am sorry it does not satisfy the Hon. Member that I am answering the question, but I am going to answer it anyway.

Some Hon. Members: Hear, hear!

Mr. McDermid: In the absence of the Minister responsible for housing, I can tell the Hon. Member that the housing put up by this group is non-profit housing. It followed the rules and regulations set out by the Government in co-operation with the provincial Government and the non-profit housing program. They followed the rules.

* * *

FISHERIES

CLOSURE OF INSHORE FISHERY

Mrs. Coline Campbell (South West Nova): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans.

The disaster facing thousands of people in southwestern Nova Scotia is now more real with the proposal put forth yesterday by the Minister's advisers which virtually shuts down the whole industry by next Thursday for the rest of the year.

The Minister has been warned by the inshore alliance, the Minister's advisers, and others that the consequences of closing down the inshore fishery will be unprecedented hardships on the communities. I therefore ask the Minister to review his policy before the people choose desperate means to protect their livelihoods.

Will the Minister intervene and do something? Will he perhaps listen to the people of these many communities of southern Nova Scotia?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, while I am certainly as concerned about the plight of the communities of southwestern Nova Scotia as I am of those in all of Atlantic Canada, the problem we are facing this year is one of sustaining the fishery for the long-term future.

It is a fact that the quotas in the Scotia Fundy region have been declining persistently each year over the past decade because more fish have been taken from the water each year than our regulations have provided for. If we are to sustain that fishery and manage it in an orderly way for the long term, we must also manage the quotas. I would discourage anyone who might consider fishing in excess of these quotas when the inevitable closures do occur.

REVIEW OF QUOTA MANAGEMENT SYSTEM

Mrs. Coline Campbell (South West Nova): Mr. Speaker, my supplementary question is directed to the Minister of Fisheries and Oceans. With the offshore fishing on Brown's Banks in the very waters of Scotia Fundy to which the Minister just referred, at a time when the inshore fishermen are not allowed to go in these waters adjacent to the coast, and the fishermen know that there are lots of fish. They just have to look at the catches that are now being caught. The Government is again supporting big corporate interests over the many concerns of the communities across the Province of Nova Scotia.

Will the Minister now review the quota management system that he has used for the last five years, a system with many injustices? Will he review it and at least set up a new policy?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, first I want to point out that the inshore fishery of southwestern Nova Scotia is not being closed down.

In fact, 2,300 of the licensed fishermen in the inshore fishery who fish with fixed gear, gill-nets and long line, will be able to fish through the entire season, and 250 of the larger draggers that have grown and replaced small boats with larger vessels over the last several years will be closed down, because they have already caught more fish by this time this year than they caught by this time last year and they have exceeded their quota.

The comments about the offshore sector are superfluous because they relate to an enterprise allocation scheme which the Hon. Member's Government enacted following the Kirby task force in 1983, something which was confirmed and renewed with the advice of all Atlantic fisheries Ministers and the industry in support of those initiatives.

* * *

AGRICULTURE

COMPENSATION FOR INPUT COSTS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Agriculture and concerns the crisis in the Canadian dairy industry.

Last summer the Government adopted a new formula for setting the target price for industrial milk. This formula provided for no indexation for input costs such as rising costs for interest rates and fuel. In the new dairy year starting August 1, I wonder if the Minister will put in place an indexation mechanism to compensate farmers for input costs.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I noticed that the Hon. Member is convening a meeting to discuss the crisis in the dairy industry. I think the crisis in the dairy industry is in the mind of the Hon. Member.

The fact is that last August and again in February, if we were to have stuck to the formula, there would have been a reduction in the target price for industrial milk. The Government, giving due consideration to the fact that there may be an increase in input costs, agreed to waive the cost of production formula and indeed maintain the price at the current level, notwithstanding the fact that it should have been reduced by $1.89 in August and 14 cents in February. I think that shows the kind of flexibility that is generous and compassionate with the dairy farmers, and we intend to continue that way.

On another point, I have indicated to the dairy farmers of Canada that this particular issue, the cost of production formula indexation, the issue of the trade negotiations and discussions with regard to the renewal of the five-year dairy plan, are things that I am prepared to discuss with them in a formalized way under a proposition which we would refer to as a dairy task force.

We are inviting dairy farmers and other participants to engage with the Government in trying to sort out a deal with all these very important issues. I hope I will have the support of the Hon. Member in that regard.

INCOME OF FARMERS—GOVERNMENT POSITION

Mr. Maurice Foster (Algoma): Mr. Speaker, the Minister knows that diary farmers are very concerned that the Government has agreed to a deal whereby their prices can go down but their prices and incomes cannot go up until 1991.

The Minister has not indicated in his answer that he is prepared to put in place an indexation mechanism until 1991. Why would the Government agree to a deal whereby farmers' incomes can go down but cannot go up until the year 1991?

• (1440)

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, as I just told the Hon. Member, the actions of the Government do not support that proposition. When the cost of the production formula was to trigger a downward price in the target price, the Government of Canada ignored the reality of that and maintained the price level. We still have that same flexibility under the arrangement to which the Hon. Member refers.

I invite the dairy farmers of Canada and others, including the Hon. Member, to participate with us in working out this very important issue, the trade issue, the future of the five-year dairy policy, the cost of production formula, the transferral of quotas, and all those things that have an effect upon the dairy industry in Canada.

We would like to work at it from a constructive basis, not the destructive course that the Hon. Member is on.

* * *

[*Translation*]

FINANCE

THE NEW SALES TAX—REQUEST AS TO WHETHER MINISTER IN AGREEMENT WITH MINISTER OF CONSUMER AND CORPORATE AFFAIRS

Mrs. Audrey McLaughlin (Yukon): Mr. Speaker, my question is directed to the Minister of Finance. I am sure the Minister would agree that his colleague, the Minister of Consumer and Corporate Affairs, is a man of integrity. On Saturday June 10, when he spoke at a meeting of the Consumers' Association of Canada, the Minister of Consumer and Corporate Affairs told a Toronto newspaper that the new sales tax would not be hidden. I quote:

[*English*]

"Visibility, I think, is the only way to ensure that consumers in the end don't get ripped off".

[*Translation*]

The Minister was right. We know that. Consumers know that. I therefore want to ask the Minister of Finance whether he agrees with his colleague, the

Minister of Consumer and Corporate Affairs, that the only way to ensure that consumers are not ripped off is to make the new sales tax a visible part of the price.

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me remind my hon. friend of what I stated in a previous answer. When we have an existing sales tax that is buried deep in the production process it results in a spread between the high effective rate and the low effective rate.

Let me again give some examples: household appliances six and a half points; watches, four points. There is no consistency with the existing tax. The effective rate of tax at the retail level may be 3 per cent, 5 per cent, 10 per cent, or 13.5 per cent.

With this new tax it will be quite clear that on all taxable goods and services it will be 9 per cent. We will be moving away from the hidden tax that we have today, the manufactured sales tax, to one that is quite transparent for the consumer to see.

WITHDRAWAL OF HIDDEN TAX—GOVERNMENT POSITION

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, it will still be a hidden tax. It will still be easy to raise that tax without the consumer being aware of it.

Whether it is special charitable tax status for their friends, windfall profits for tobacco companies, or tax deductions for free traders, when it comes to tax breaks the average Canadian gets the short end of the stick with this Government.

Will the Minister defend the interests of average Canadians and withdraw this ill-conceived "now you see it, now you don't" sales tax?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member states that the consumer will not be aware. If there is ever a change in the sales tax, the consumer will be very much aware of that. The rate at the retail level will be the same for all goods and services that are taxable.

The Hon. Member talks about the average Canadian, and do we have an interest in protecting the average Canadian. Yes, and that will be very clear when this technical paper comes out.

In that technical paper the Hon. Member will see that we have enhanced the value of the refundable sales tax credit for people in the low and lower middle income brackets. We are ensuring the objective that we set out in the Budget of families earning less than $30,000 being better off after this sales tax reform.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MEMBERS OF THE NORTHWEST TERRITORIES LEGISLATIVE ASSEMBLY

Mr. Speaker: I wish to draw to the attention of Hon. Members the presence in our Gallery of Members of the Northwest Territories Legislative Assembly.

Some Hon. Members: Hear, hear!

* * *

NATIONAL DEFENCE

CFB CALGARY—COMMITMENTS OF DEPARTMENT

Hon. William Rompkey (Labrador): Mr. Speaker, my question is directed to the Minister of Defence. Canadian Forces Base Calgary is on land owned by the Sarcee Indians of Alberta. In 1985, DND signed a document with those Indians that gave certain conditions. One was free access to a portion of the land by the Indians, and the second was ensuring against environmental contamination. DND has breached both conditions of that legal document.

Will the Minister personally intervene to see that DND lives up to the commitments that it signed in 1985?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, the Hon. Member makes a statement that is not factual, that there has been a breach. What there is is a misunderstanding or a misinterpretation. There is a misinterpretation on behalf of one of the parties that negotiated the lease.

We have offered to have discussions with the Sarcee Band. As a matter of fact, I believe earlier this week there was, or later this week there will be, a representative of my Department in Calgary to discuss with the Sarcee Band what this misunderstanding may be. We will discuss it through the usual channels.

Two parties signed a contract. The contract was negotiated by people who understood the language and the terms and conditions. We hope to be able to settle it, as other individuals would between two contractors.

REQUEST FOR MINISTERIAL MEETING WITH SARCEE BAND

Hon. William Rompkey (Labrador): Mr. Speaker, the Indians certainly understand, with legal advice, that there is a breach of the legal document signed in 1985. They are not prepared to meet with officials. They want to meet with the Minister.

Will the Minister personally meet with the Sarcees in an attempt to resolve this dispute before it goes to court?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, before I can answer the Hon. Member's question, I would like to have the advice of my official who today, tomorrow, or yesterday was or will be discussing with the Sarcees the agreements in the lease.

The Hon. Member is asking for the Minister to become involved in what is a dispute of legal terms. If the Hon. Member wishes to provide information in a legal sense to his friends, he can do so. I don believe that I am capable of that.

* * *

NORTHERN DEVELOPMENT

ESTABLISHMENT OF AGENCY

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, my question is for the Minister of Industry, Science and Technology. As the Minister may be aware, the people and Government of the Northwest Territories are currently engaged in a major economic planning process.

While northerners are attempting to set their own agenda in terms of economic strategy, we will continue to require sizeable federal support to assist us in the development of our economy for the foreseeable future.

Since a stronger northern economy means a stronger Canada, will the Minister agree to the establishment of a development agency for the North?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, there is a whole Department of Indian Affairs and Northern Development. Therefore, there is a Department that has the responsibility for northern development.

Mr. Anawak: The attitude of the Minister betrays the ignorance of the Government.

EXTENSION OF TOURISM AND SMALL BUSINESS AGREEMENTS

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, my supplementary question is for the same Minister. The Minister's Department has tourism and small business economic subagreements with the Government of the Northwest Territories that will be expiring soon. The Government of the Northwest Territories has requested an extension of those agreements.

Will the Minister give an undertaking today to extend those two agreements which are so important to the economy of the Northwest Territories?

Hon. Kim Campbell (Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, I would like to thank the Hon. Member for his question. I must confess that I entered Question Period today hoping that I would get a question, since I have not had one in this session.

Some Hon. Members: Hear, hear!

Ms. Campbell (Vancouver Centre): Mr. Speaker, our Department is in constant negotiation with the Governments of both the Northwest Territories and the Yukon Territory. The status of agreements between our Governments are constantly under review and are regularly being negotiated.

At the eleventh National Northern Development Conference held in Edmonton last October, the territorial government Leaders agreed that their economies were among the strongest in Canada. This economic resurgence was further in evidence at the Prospects North '89 Conference which was held in Yellowknife in June of this year.

• (1450)

I would like to suggest the evidence is very clear that the policies of the Government have been extremely favourable to economic circumstances in the Northwest Territories.

* * *

[*Translation*]

TRANSPORT

REQUEST THAT MINISTER CONFIRM A NEWS ITEM

Mr. Jacques Vien (Laurentides): Mr. Speaker, my question is directed to the Minister of Transport.

Today's edition of *La Presse* reports that the Québec Minister of Transport never received the memorandum of agreement on Highway 13.

Could the Minister of Transport confirm this statement by his provincial counterpart's parliamentary secretary?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, when the memorandum of agreement was signed in March 1988, the Minister of State (Transport) at the time, the Hon. Member for Rimouski, transmitted the memorandum of agreement, which sets the funding amounts of the agreement between Ottawa and Québec, to the Québec Minister of Transport who has had the memorandum for the past fourteen months.

So I believe the Québec Government has had the document for well over a year.

* * *

[*English*]

CANADA POST CORPORATION

REMARKS OF CONSTITUENT—MINISTER'S POSITION

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, my question is directed to the Minister responsible for Canada Post who last week in this House singled out by name and residency one of my constituents. That constituent is Mr. Edward Kjargaard, the RM of Douglas, who wrote to me to say that he was misrepresented by Canada Post and the Minister in his remarks in the House.

An Hon. Member: What else is new?

Mr. Taylor: Is the Minister responsible for Canada Post prepared to take this opportunity to apologize to my constituent for that misrepresentation?

Some Hon. Members: Hear, hear!

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, the ad in question placed by Canada Post contains the signatures of municipal leaders across the country. They signed documents supporting this statement and releasing the Post Office to use their endorsement for whatever purposes.

If the endorsement of the Hon. Member's constituent is in keeping with the results of the Gallup poll which showed that 97 per cent of rural Canadians—

Some Hon. Members: Oh, oh!

Mr. Andre: —think the postal service has improved, I guess we can put the Hon. Member in the 3 per cent minority.

Some Hon. Members: Hear, hear!

PUBLIC RELATIONS ACTIVITIES

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, my supplementary question is directed to the same Minister.

It appears, as my constituent says, that the Post Office was more interested in his signature than his opinion.

If Canada Post is misleading the public in this situation, are we to believe that Canada Post is trying to mislead Canadians in all its public relations activities?

Some Hon. Members: Hear, hear!

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, perhaps the Hon. Member should go back to his constituent and ask him why he signed a document he did not know the contents of.

* * *

VIA RAIL

REINTRODUCTION OF LEGISLATION

Mr. Maurice A. Dionne (Miramichi): Mr. Speaker, my question is directed to the Minister of Transport.

In 1986 the Government bragged about its VIA legislation, Bill C-97, but then allowed it to die an ignoble Tory death. Given the current crisis facing VIA, will the Government now commit itself to reintroduction of that legislation to guarantee the independent survival of VIA Rail?

Some Hon. Members: Hear, hear!

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, the Hon. Member knows very well that we are in a process with VIA Rail which will result in its presenting to me in a few weeks its report concerning the new reference levels which have been given to the company.

I do not believe that it is relevant at the present time to talk about any type of legislation. First, we will look at the proposal dealing with the new reference levels.

Mr. Dionne: I can assure the Minister that the travelling public thinks that it is relevant.

COMMITTEE REVIEW OF BUSINESS PLAN

Mr. Maurice A. Dionne (Miramichi): Mr. Speaker, is the Minister prepared to turn over to the Transport Committee for public scrutiny and review the business plan of VIA Rail so that the committee can review it and pass comment on it?

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, it is very obvious that I do not intend to make any other commitment than to consider the proposals that VIA Rail will make concerning its ability to live within the reference levels that we set for it and, from that, to make recommendations to the Government. There is no question of making any commitment on legislation or a reference to the Transport Committee.

* * *

[*English*]

FAMILY VIOLENCE

IMPACT OF NATIONAL FORUM—GOVERNMENT RESPONSE

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. It relates to the issue of family violence and, more specifically, to the National Forum on Family Violence which is in progress.

Since this is an extremely important subject to many Canadians from coast to coast, will the Minister please tell us what the federal Government has done and what it is planning to do in dealing with this serious problem?

As well, what effect will the conference have on legislation and government policy?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, this is indeed an important question on an extremely important issue.

The federal Government has two key initiatives. The first deals with family violence, which involves some six different Departments of Government at a cost of some $40 million. The other deals with child sexual abuse, which involves some $25 million.

Among the initiatives being taken on family violence is a major increase in the number of shelters for battered women and their children. This conference will help to provide to the Government information to develop a national strategy which will involve the federal Government—

Ms. Copps: How about some money?

Mr. Beatty: The Hon. Member says: "How about some money?" Sixty-five million dollars is a considerable amount of money.

Some Hon. Members: Hear, hear!

Ms. Copps: It's a drop in the bucket.

Mr. Beatty: Only a Liberal would say: "What is $65 million?"

Some Hon. Members: Hear, hear!

* * *

RESEARCH AND DEVELOPMENT

FEDERAL CONTRIBUTION

Mr. Jim Peterson (Willowdale): Mr. Speaker, my question is for the Right Hon. Prime Minister. Just two days ago in Halifax the Prime Minister finally came clean with Canadians. He finally acknowledged the sorry state of Canada's technological efforts.

The record of the Government is abysmal. We are among the worst performers in terms of research and development among any industrialized country in the world.

Over the past five years, during which time this Government has been in office, the level of research and development in Canada has actually declined.

Some Hon. Members: Shame!

Mr. Peterson: In spite of this the Government refuses to increase its already abysmal level of investment in Canadian—

Mr. Speaker: I would ask the Hon. Member to put his question.

Mr. Peterson: —jobs for the future.

Will the Prime Minister tell us when his Government will do even its fair share in order to create a level playing field for Canadians, a level playing field at least in research and development.

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I thank my hon. friend for an excellent question on a very important matter involving Canada's well-being.

In fact, he will be interested to know that Statistics Canada figures show that the federal Government funds about 85 per cent of all public sector R and D in Canada. The federal Government spends 10 times more on research and development in Ontario than does the Government of Ontario.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Andre: Where was the Government of Ontario on Bill C-22?

Mr. Mulroney: Mr. Speaker, my hon. friend makes a good point in regard—

[*Translation*]

M. Ouellet: That proves to you that you are not spending enough in Québec.

An Hon. Member: Remember Bill C-22, André!

Mr. Mulroney: Yes, the Hon. Member tells me— The Liberal Member for Papineau tells me about Québec, while the Liberal Party was opposed to a bill that resulted in $1.4 billion being spent in Québec. The Liberals were opposed to it. This Government took that action in favour of a sound research and development policy for Canada.

* * *

• (1500)

THE ENVIRONMENT

SUSTAINABLE DEVELOPMENT AND THE ENVIRONMENT

Mr. John Manley (Ottawa South): Mr. Speaker, my supplementary question is for the Prime Minister and concerns sustainable development and the environment.

[*English*]

The Science Council of Canada, in its report entitled Environmental Peacekeepers, recommends a very active role for the Department of Industry, Science and Technology in promoting the goal of a clean and healthy environment and sustainable development. This is entirely consistent with the recommendations of the Brundtland Commission report, which the Government has also praised.

Will the Prime Minister explain to the House why Canadians should take seriously his claims that the environment is the first priority in light of the fact that the Government has refused to give a legal onus to the Minister of Industry, Science and Technology in seeking to achieve this goal of sustainable development?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am not sure that I got the full—

Ms. Copps: There was an amendment last night that was not passed.

Mr. Mulroney: —the full drift of the question—apart from a legislative change in the last 24 hours—but there is nothing at all that has taken place by this Government today or yesterday or at any time, specifically yesterday and last evening, at variance with what Prime Minister Brundtland said herself.

Ms. Copps: False.

Mr. Mulroney: In Washington, Prime Minister Brundtland said of Canada that if all the nations of the world conducted themselves with regard to the achievement of sustainable development as Canada has, with the leadership that Canada is providing, all of us would be much further along in achieving ultimately the goal of sustainable development around the world.

* * *

FISHERIES

IMPORTING OF LIVE BAIT

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. The Minister is aware that until the signing of the Free Trade Agreement it was illegal to import live bait into the Province of Ontario. The Minister is also aware that at the present time truckloads of live bait are entering northern Ontario, threatening the fishing industry in

Ontario and northern Manitoba. Why has the federal Government done absolutely nothing to protect our stocks?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I do not know what free trade and the trucking of live bait has to do with protecting our live stocks in Lake Ontario and in the Ontario fishery, which are administered under an agreement by the Province of Ontario. I will certainly look into the question.

Mr. Speaker: The Hon. Member for Thunder Bay—Atikokan on a short supplementary. That will be the last question.

* * *

TRANSPORTATION

VIA RAIL SERVICES

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is directed to the Minister of Transport. The Minister will know that VIA's first quarterly report shows that revenue is up, more people are using the trains and costs are down. Will the Minister go back and tell Cabinet that it was misled and in fact there are 1.45 billion passenger miles per year of usage in VIA Rail? Will he go back to Cabinet to say the Government made a mistake, it is in error and wants to keep VIA? Will he do that?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, it is 3.05. No.

* * *

POINT OF ORDER

HON. STANLEY KNOWLES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I rise with pleasure on behalf of all Members of the House to welcome back Hon. Stanley Knowles, to the best television seat in the House next to yours, Mr. Speaker.

I know Members are pleased that he overcame a recent illness with his usual determination to celebrate his eighty-first birthday on Sunday. We welcome him back with affection and respect as one of Canada's most outstanding parliamentarians.

Some Hon. Members: Hear, hear!

Committee Reports

ROUTINE PROCEEDINGS

[*English*]

ORDER IN COUNCIL APPOINTMENTS

TABLING OF APPOINTMENTS AND REFERENCES

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to table in both official languages a number of Order in Council appointments which were made by the Government. Pursuant to the provisions of Standing Order 110(1), these are deemed referred to the appropriate standing committees, a list of which is attached.

* * *

[*Translation*]

INTERNATIONAL LABOUR CONFERENCE

TABLING OF DOCUMENT ON CANADA'S POSITION CONCERNING CONVENTIONS AND RECOMMENDATIONS

Hon. Jean Corbeil (Minister of Labour): Mr. Speaker, I have the honour to table two copies, in both official languages, of a document on Canada's position on the conventions and recommendations adopted at the 74th and 75th sessions of the International Labour Conference in Geneva in October 1987 and June 1988.

* * *

[*English*]

COMMITTEES OF THE HOUSE

AGRICULTURE—SECOND REPORT OF STANDING COMMITTEE

Mr. A. H. Harry Brightwell (Perth—Wellington—Waterloo): Mr. Speaker, I have the honour to present the second report of the Standing Committee on Agriculture dealing with Supplementary Estimates (A), 1989-90 for the fiscal year ending March 31, 1990.

[*Translation*]

LABOUR, EMPLOYMENT AND IMMIGRATION—FIRST REPORT OF STANDING COMMITTEE

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, I have the honour to present, in both official languages, the first report of the Standing Committee on Labour,

Employment and Immigration, concerning the situation of Lebanese citizens wishing to immigrate to Canada.

[*English*]

This report was unanimously adopted by the committee. While the committee appreciates the Government's efforts to assist these people in expediting the processing of their applications, it also points out in the report, measures which the Government may consider to further enhance the system.

In accordance with Standing Order 109, the committee requests a Government response to the recommendations it puts forth today.

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

* * *

PETITIONS

OFFSHORE HYDROCARBON EXPLORATION

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my privilege to present a petition, thanks to the work of Greenpeace, on behalf of residents of Salmon Arm, Vancouver, Sicamous, Enderby and Tappen. There are hundreds and hundreds of people who point out that they are very concerned that the Government is looking at the West Coast as a place to do drilling. They point out that the West Coast of British Columbia is Canada's most earthquake prone region. The Queen Charlotte's basin has even higher earthquake activity than the San Andreas Fault.

Fundamentally, they do not want any more hydrocarbon exploration activities to take place in our coastal waters, be they initiated by the public or private sector, nor do they want the Government to pay for such activities from this day on.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to table hundreds of petitions that have been found in order by the Clerk of Petitions. The petitions, provided by the work of Greenpeace, are from Calgary and other communities in Alberta and throughout British Columbia who are concerned about the 1988 agreement creating the South Moresby National Park Reserve. The federal Government has now committed itself to spend $20 million or more to explore for minerals and hydrocarbons in this first national marine park. They are concerned that exploring for hydrocarbons in the waters around the Queen Charlottes, particularly Hecate Strait and Queen Charlotte Sound, would be unwise because of the earthquake prone nature of the area and the fact that there is extensive earthquake activity from the San Andreas Fault and that the waters surrounding the area are the roughest and the most unpredictable in the world. Therefore these hundreds of petitioners ask that there be no further consideration of hydrocarbon exploration activities in the coastal waters of British Columbia and that there be a permanent moratorium placed on such offshore hydrocarbon exploration and development.

• (1510)

EXTRADITION LAW AMENDMENTS

Mr. Bill Domm (Peterborough): Mr. Speaker, evidence is mounting that Canada is perceived by criminals in the United States as a safe haven. Our extradition laws offer them many years of sanctuary from capital punishment in the United States as we weave our way through a maze of court appeals.

My petition today represents the signatures of 2,152 people from Peterborough, British Columbia, Alberta, Ontario and Nova Scotia. These people are asking the Government of Canada to revise its extradition laws in order that we prevent Canada from becoming a haven for escaped convicts from the United States.

NATIONAL ARTS CENTRE ORCHESTRA

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I rise to plead with this House to consider petitions that have been submitted by hundreds of people who appreciate the quality of our National Arts Centre Orchestra.

The undersigned have written that they consider the National Arts Centre Orchestra to be a world class one that has brought fame to Canada and to its capital city. In fact, it is the jewel of Canada. They believe that the National Arts Centre Orchestra is in imminent danger of being damaged or even destroyed, and they consider the present management have proved themselves to be incompetent, or if not, inadequate in artistic matters. They call upon this House as a matter of priority to ensure that the National Arts Centre maintains its Orchestra at its current size, not cut, and at the present standard of excellence.

The petitioners wish to ensure that sound, cultural credentials are maintained as a criteria for any new appointments to the National Arts Centre Board of Trustees.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would like to table several petitions concerning our national orchestra which for many years has build up an impressive record based on the quality of its performance and its importance in the cultural sphere.

The people who signed this petition are from my own riding—from Rockcliffe, New Edinburgh and Sandy Hill. These are people who go regularly to the National Arts Centre and would like Parliament to urge the administration of the NAC to act quickly to ensure that our national orchestra will continue to exist and pursue its outstanding work in the music field.

[*English*]

EXTRADITION LAW AMENDMENTS

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, following what my colleague from Peterborough has presented to the House of Commons this afternoon, I have here, pursuant to the Standing Orders, a petition that will bring in excess of 50,000 signatures to the attention of the Government of those people who are extremely concerned about our present extradition laws. No longer do we feel in this nation that we can provide a safe haven for criminals who are alleged to have committed atrocious crimes in the United States and yet who can hide behind the judicial system in this country. My petitioners humbly pray that the Government address this problem immediately.

OFFSHORE HYDROCARBON EXPLORATION

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I have a petition similar to those of my colleague's with respect to offshore exploration. These are signatures from Argentia, British Columbia and a number from the ridings of Vancouver Centre and Vancouver South.

The petitioners claim that the West Coast of British Columbia is Canada's most earthquake-prone region, that the Queen Charlotte basin has even higher earthquake activity than the San Andreas Fault and that the Hecate Strait has some of the roughest and most unpredictable seas in the world. Therefore this petition, gathered by Greenpeace, implores the Government and the private sector not to do any exploration activities in that area and especially in the national marine park of South Moresby.

IMMIGRATION—REFUGEE CLAIMANTS

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, it is my honour and duty to present a petition from over 100 residents in the City of Toronto, duly signed by the Clerk of Petitions and certified. The petitioners are concerned for the refugee claimants who came here before 1989 and who are now in the backlog, as it is called.

Many of these people have been denied work permits. They are also concerned that in the humanitarian evaluation of their cases, which will begin next month, the Minister should use fair and reasonable criteria. For example, it should include the presence in Canada of relatives. It should include successful establishment in Canada and special consideration should be given to those refugee claimants fleeing war zones, oppressive governments and natural disasters.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, the following questions will be answered today: Nos. 78, 79, 80 and 81.

[*Text*]

ACQUISITION OF HELICOPTER

Question No. 78—**Mr. Simmons:**

1. Has any action been taken by the government relating to the concern expressed by the Auditor General in his 1988 Report to Parliament over the acquisition of a surveillance helicopter, including inadequate assessment of the number of days when conditions would permit the helicopter to fly and, if so, (a) what was such action (b) what additional costs, if any, were involved in modifying fishery patrol vessels to make them suitable for landing?

2. What action, if any, has been taken to acquire the expertise in this area either on a staff or a contract basis, as recommended by the Auditor General?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): 1(a) In response to the need identified, the Department of Fisheries and Oceans has established a system, including the appointment of a regional Trials Officer and the introduction of a data collection format

to assess the number of days, on average, a helicopter would be permitted to fly.

1(b) The helicopter is based on the FPV L.J. COWLEY which was designed for helicopter operations. The modification cost was $48.7K for the purchase and installation of a second beacon on the vessel. The Department has delayed modification of a second fisheries patrol vessel until a full assessment can be carried out after the trial period, which ends this fiscal year 1989-90.

(2) When contracting out aerial surveillance needs, the Department has relied, and continues to rely, on the expertise within other Government departments (DSS, MOT). This was the case in the most recent acquisition of a helicopter for South West Nova Scotia in which DFO worked extensively with the National Search and Rescue Secretariat (NSS) in identifying our requirements. In addition, NSS was fully involved in the evaluation of the bids received for this contract. This approach has proven effective to date.

ACQUISITION OF VESSELS

Question No. 79—**Mr. Simmons:**

1. Has any action been taken by the Department of Fisheries and Oceans to avoid the past difficulties experienced in the acquisition of 42 ft. patrol vessels?

2. Has the Department taken whatever steps that are necessary to monitor adequately the effects on stability, handling, or operational capability in future acquisitions of such vessels?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): 1. Yes, the Department has rectified these problems by rigorously monitoring vessel construction, crew training and professional marine management of vessels. Safety of vessel operations is always closely monitored, particularly with new vessels and in this case all problems with the 42 foot vessels were identified and rectified immediately.

2. All major and minor vessels acquired by the Department must be tested for stability by a qualified Naval Architect and must have a Canadian Coast Guard, Ship Safety Directorate approved Stability Booklet onboard prior to final acceptance and issue of a Voyage Safety Certificate. In the case of the 42 foot vessels, a series of mathematical models have been conducted in two phases to simulate sea-keeping in various sea states. Results indicate that these vessels behave normally and are safe to operate up to sea state 4, the maximum that can reasonably be expected. It is also intended to verify and correlate the mathematical derived data by conducting full scale sea-keeping trials on one of these vessels during 1989.

FISH INSPECTION PROGRAM

Question No. 80—**Mr. Simmons:**

What action, if any, has the Department of Fisheries and Oceans taken to resolve the problems, as outlined in the 1988 Auditor General's Report, that the fish inspection program faces considerable pressures in that the training for inspectors is insufficient, there are inconsistencies in standards and procedures, manuals are often out of date, and that weaknesses in management control exist?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): While the Department, through its 1986 reorganization, had taken steps to focus time and energy to ensure inspectors have the best possible training and tools for their work, one should also consider the Auditor General's statement regarding the inspection program in which he stated "we were impressed throughout the audit by the high international reputation of Canada's fish inspection program. Few other countries have such a comprehensive system.

Also noteworthy is the department's work with industry to improve fish product quality." The public can have confidence in the fish inspection system due to its multi-facetted nature involving inspection of vessels, unloading practices, raw product, transportation, plants processing practices, and final product. While the Department is taking, and has taken, action to ensure that the Canadian fish inspection system remains as one of the best in the world, the multi-facetted approach provides assurance that the fish now on the market meets standards in spite of the limitations of any one aspect of the inspection program. Any problems that did exist resulted from a lack of central direction and control. In 1986 the Department undertook a major reorganization that, among other things, centralized authority and accountability for the inspection program. As noted in the report, many initiatives to improve management of the inspection program were being planned or were under development at the time of the audit, but at the time of the audit the improvements had not had an impact at the inspector level. Since the audit, a Fish Products Inspection Manual has been issued to inspectors and results are being felt at the field level.

The following outlines the action taken to date in response to specific comments regarding fish inspection which the Auditor General made in his 1988 Report.

–Sampling. The Auditor General raised concerns regarding the Department's sampling plans. The Department has been evaluating an alternative internationally recognized sampling plan for two years and is now implementing major pilot projects to test the new sampling plan under practical conditions. If the pilot projects prove that the new sampling plan performs as expected, the new plan will be introduced early in 1990.

–Inconsistencies in standards and procedures. The Department issued the "Fish Products Inspection Manual Policies and Procedures" to all inspectors in February of this year. While the "Fish Products Inspection Manual Standards and Methods" is scheduled to be released this year, six (6) specific product standards and methods chapters have already been forwarded to the field for use and other standards and methods will be released shortly. By the end of 1989/90 more than 80 per cent of all fish products will be covered by newly revised standards and methods.

The "Metal Can Defect Manual" will be published this month. The Facilities Inspection Manual will be released as a first draft by July.

These new manuals and standards will complete the task of reissuing a revised set of instructions to all staff.

–Training. The Auditor General raised concerns over training. The Department has been developing national training packages for some time. Inspectors will be evaluated in 1989/90 to determine their specific training needs. Training will be delivered in 37 training modules. Twenty (20) modules are now complete and training will commence in 1989/90. University level courses in sensory evaluation for inspectors started in 1986/87 and are continuing.

–Inspector Testing. Inspector testing continues with respect to tuna. A series of workshops will be held in June to lay the groundwork for testing inspectors evaluations of other products. Work on chemical indicators of spoilage is continuing and will help in the testing of inspectors. A national inspection laboratory was established in 1988 in Ottawa and is now equipped and staffed to assist in work on chemical indicators of spoilage.

–Management Weakness. Management weakness in information systems and program control are being addressed through the development of a comprehensive Management Information System (MIS) that will indicate where effort is spent and what results are achieved. Portions of the MIS will be completed in 1989/90 and in conjunction with the work on manuals and audits will provide improved management control.

–Field Reviews. Audits of field application of standards and compliance to policies and procedures will start in early 1990.

–In–Plant Quality Control. The Auditor General questioned why the Department does not use existing company in–plant quality control systems to help assure that standards are met. The Department is now moving ahead with implementation of a comprehensive Quality Management Program that will involve coordinated company and government action to ensure that standards are met.

EXTENSION OF LEASE

Question No. 81—**Mr. Boudria:**

1. Does the government intend to extend its rental lease with the Campeau Corporation for Tower C, Ottawa, Ont. and, if so (a) at what cost (b) what is the estimated cost to the government for the (i) asbestos clean–up (ii) air conditioning and heating retrofit of the building?

2. Did the government receive bids for other leases and, if so, from whom and what was the amount in each case?

3. Did the government plan to vacate the building and, if so, what were the anticipated costs of such a move?

Hon. Elmer M. MacKay (Minister of Public Works): 1. The Minister of Public Works is investigating the feasibility of a proposal to the Treasury Board to enter into a medium term arrangement with the owner of Tower C, Place de Ville, which is one of the buildings currently occupied by Transport Canada. Since the final lease arrangements have not yet been finalized with the Campeau Corporation, the total occupancy cost, including the government's share of the refit costs, are still not known.

2. In December 1988, a lease proposal call was advertised for 80,626 m2U to provide accomodation for the National Headquarters of Transport Canada. Twenty–one lease proposals were submitted, resulting in 14

qualified bids, with rates for each five years of the proposed twenty-year term. Listed below are the names of the Offerors with the rates for the first five years of the term:

Seltzer (Gloucester) Development		$365.94
Bourque, Pierre et Fils Ltée		231.50
795009 Ontario Ltd. Angevin Group (disqualified)		(1152.00)
Les Entreprises Duroc-Lachapelle Inc.		234.00
Les Placements Alize Quebec Ltée (disqualified)		(127.89)
Calmar Quebec Ltée (disqualified)		(160.94)
Campeau Corporation (2) (1 disqualified)	$363.15	(350.00)
Glenview Corporation (2)	275.14	249.13
Les Développements immobiliers Gamelin Ltée		244.00
Lithwick Family Holdings Inc.		289.05
Les Entreprises H.L.P. Inc.		251.10
Minto Corporation (2)	352.38	363.14
Matthews Group Limited		239.77
Perez Corporation		299.78
W.D. Laflamme Ltée (disqualified)		(297.00)
Marchant Development (disqualified)		(355.20)
Ossory Canada Inc. (disqualified)		(299.00)
Rampart Building Corporation		262.50

3. To consolidate the Headquarters of Transport Canada, a lease proposal call was advertised; but the Government decided, within the context of the April budget, not to proceed with it. In this scenario, the estimated moving and fit-up costs were $1,000,000.00 and $15,000,000.00 respectively.

[*English*]

Mr. Cooper: I ask that the remaining questions be allowed to stand.

Mr. Deputy Speaker: The questions as enumerated by the Hon. Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I ask that the Notices of Motions for the Production of Papers be allowed to stand.

Mr. Deputy Speaker: Is it agreed?

Some Hon. Members: Agreed.

UNEMPLOYMENT INSURANCE ACT

MOTION THAT DEBATE NOT BE FURTHER ADJOURNED

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada) I move:

That the debate on the motion for second reading of an Act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act and on any amendments proposed thereto shall not be further adjourned.

Mr. Deputy Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

The House divided on the motion, which was agreed to on the following division:

• (1540)

(*Division No. 47*)

YEAS

Members

Anderson	Andre
Atkinson	Attewell
Beatty	Belsher
Bernier	Bertrand
Bird	Bjornson
Blackburn (Jonquière)	Blais
Blenkarn	Bosley
Bouchard (Roberval)	Bouchard (Lac-Saint-Jean)
Bourgault	Brightwell
Campbell (Vancouver Centre)	Cardiff
Chadwick	Champagne (Champlain)
Charest	Clark (Yellowhead)
Clark (Brandon—Souris)	Clifford
Cole	Collins
Cook	Cooper
Corbeil	Corbett
Côté	Couture
Crosby (Halifax West)	Darling
DeBlois	de Cotret
Desjardins	Dick
Dobbie	Domm
Dorin	Duplessis
Fee	Feltham

Ferland
Gérin
Greene
Gustafson
Harvey (Chicoutimi)
Hogue
Horner
Hudon
Jacques
Johnson
Jourdenais
Koury
Langlois
Layton
Lewis
Loiselle
MacDougall (Timiskaming)
Marin
Mayer
McCreath
McKnight
Merrithew
Monteith
Nowlan
O'Kurley
Porter
Reid
Richardson
St-Julien
Shields
Sobeski
Sparrow
Tardif
Thompson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Vankoughnet
Vézina
Vincent
White
Wilson (Swift Current—Maple Creek—Assiniboia)
Winegard
Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)
Guilbault
Halliday
Hicks
Holtmann
Horning
Hughes
Jelinek
Joncas
Kempling
Landry
Larrivée
Leblanc (Longueuil)
Littlechild
MacDonald (Rosedale)
Malone
Martin (Lincoln)
Mazankowski
McDermid
McLean
Mitges
Nicholson
Oberle
Plamondon
Pronovost
Reimer
Robitaille
Scott (Victoria—Haliburton)
Siddon
Soetens
Stevenson
Thacker
Thorkelson
Tremblay (Lotbinière)
Van de Walle
Venne
Vien
Wenman
Wilbee
Worthy—129

NAYS

Members

Althouse
Angus
Assad
Bélair
Berger
Black
Boudria
Butland
Callbeck
Catterall
Comuzzi
Crawford
Dionne
Ferguson
Fisher
Foster
Gaffney
Gauthier
Grey (Beaver River)
Harb
Heap
Hovdebo
Jordan
Keyes
Langan (Mission—Coquitlam)
Laporte
Lee
MacDonald (Dartmouth)
Maheu
Marchi
McGuire
Mifflin
Anawak
Arseneault
Axworthy (Saskatoon—Clark's Crossing)
Benjamin
Bevilacqua
Blondin
Brewin
Caccia
Campbell (South West Nova)
Clancy
Copps
de Jong
Duhamel
Finestone
Fontana
Fulton
Gardiner
Gray (Windsor West)
Guarnieri
Harvey (Edmonton East)
Hopkins
Hunter
Karpoff
Kilger (Stormont—Dundas)
Langdon (Essex—Windsor)
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
MacLaren
Manley
Marleau
McLaughlin
Milliken
Mills
Murphy
Ouellet
Parker
Phinney
Proud
Rideout
Robichaud
Rodriguez
Simmons
Speller
Stupich
Tobin
Vanclief
Waddell
Wappel
Wood
Young (Beaches—Woodbine)—99
Mitchell
Nystrom
Parent
Peterson
Pickard
Prud'homme
Riis
Robinson
Rompkey
Skelly (Comox—Alberni)
Stewart
Taylor
Turner (Vancouver Quadra)
Volpe
Walker
Whittaker
Young (Gloucester)

• (1600)

Mr. Deputy Speaker: I declare the motion carried.

GOVERNMENT ORDERS

[*English*]

UNEMPLOYMENT INSURANCE ACT

MEASURE TO AMEND

The House resumed from Wednesday, June 7, consideration of the motion of Mrs. McDougall that Bill C-21, an Act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act, be read the second time and referred to a legislative committee; and the amendment of Mr. Allmand that:

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

Bill C-21, an Act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act, be not now read a second time but that it be read a second time this day six months hence.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Conservative Government has applied closure to the Bill and closed off debate. It has locked out the unemployed of our country and told those without a job in Canada, "We don't have any more time to talk about you". That is the type of hammer that the Government has applied against the unemployed in Canada.

This debate is about how we as a nation treat people who, through no fault of their own, have lost their jobs. This debate is about whether or not we believe that governments at all levels, particularly the Government in Ottawa, have a commitment to help Canadian workers

when they need that help the most, when they become unemployed.

With this legislation the Government is pulling out of the most basic of our social programs, the most fundamental element of the social net of Canada, the unemployment insurance, protecting as it has for more than 40 years the unemployed of this country, as a matter not of discretion but as a matter of right, and as a matter going to the pride of every Canadian worker, and not a matter of welfare. By pulling $2 billion out of the unemployment insurance program, leaving it merely to employers and employees to finance the program, it is privatizing unemployment insurance. It is privatizing the most fundamental social program in this country.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): It is part of the same agenda through which we have seen privatization everywhere: we suffer the dilution in the privatizing of our transportation infrastructure, selling off Air Canada, the public air transport in the country, closing down rail transportation and passenger service at VIA Rail, closing down the rural post offices and the rural postal routes, abandoning regional economic development, shutting down rural and small-town Canada, and now destroying our social programs by privatizing them and leaving the unemployed to their own resorts.

We now see the Americanization of our national policies in full flight as a result of the trade agreement, as a result of the philosophy of the Speech from the Throne, as a result of the philosophy inherent in the Budget, and now, of course, as a result of this legislation cutting unemployment insurance.

We have known for some time, and we have brought it to the attention of the Government, that the American government has always considered unemployment insurance an unacceptable subsidy offending the meaning of its trade legislation, the 1930 Trade Act, the 1974 Trade Act, and the omnibus trade bill passed by the Congress last year. This Government pulled out of unemployment insurance before the negotiations on the definition of subsidy ever began. It knuckled under once again to the American government. As part of the trade agreement, it privatized unemployment insurance at the expense of the Canadian worker in favour of American business.

The Tory solution as to how Canada should treat people who lose their jobs, through no fault of their own, is to cut $2 billion out of the unemployment insurance program, to make unemployment insurance more difficult to receive by extending the period needed to qualify for benefits, and by making the benefit period shorter. It is like throwing an anchor out to a drowning man.

[*Translation*]

This Bill reflects an attitude that considers people who lose their jobs not as powerless victims of economic circumstances but as lazy, good-for-nothing bums who don't deserve our help and support. As was pointed out by the Hon. Member for Notre-Dame-de-Grâce (Mr. Allmand) on June 6 here in the House, our Party agrees with the need to reduce the deficit but never at the expense of the unemployed, the sick, the disabled, the poor and the destitute.

The Conservative Government does not agree. It believes that the best way to reduce the deficit is to do so at the expense of the weakest and neediest members of our society.

An Hon. Member: Shame!

Mr. Turner (Vancouver Quadra): That is why it has decided to reduce unemployment insurance benefits. It is easier to run roughshod over people who can't defend themselves, people without influence, the underclasses, people who are powerless in their own country. The same attitude is reflected in the Government's approach to the new sales tax, in the cuts applied to childcare expenses, the reductions in transfer payments for education and health and the incredible tax increases this Government has imposed on Canadian families since 1984, families on low and middle incomes, while at the same time providing tax relief for the rich.

[*English*]

This Bill is the further implementation of the Tories' right-wing agenda, an agenda they kept hidden and secret during the election campaign. They kept it secret because they knew that the vast majority of Canadians would simply not accept such Draconian and cowardly measures. The Tories did not merely keep silent about that agenda, they did not merely keep silent about their

real intentions, they went one step further. They deliberately misled Canadians by saying they would never touch unemployment insurance.

I want to take Members to a scene before a whole host of Conservative supporters at the Hotel Newfoundland in St. John's on October 13. In response to reporters, the Minister for International Trade (Mr. Crosbie) stated: "The federal Government has no plans to make changes to the unemployment insurance program". Those were the words of the Minister for International Trade. Of course, in St. John's the reporters know him well, so they asked him if he had checked this with the Prime Minister (Mr. Mulroney). The Prime Minister was in the same room with him speaking to the same gathering of Conservatives. In response to that question from reporters, the Minister stated: "You're damn right I asked him about it and he said no, no one is planning any changes in the unemployment insurance program". That is what was stated by the Minister for International Trade on the authority of the Prime Minister of Canada a few days before the election.

To put it bluntly, either the Prime Minister did not tell the truth to the Minister for International Trade, or the Minister for International Trade did not tell the truth to the Canadian people. I suspect that neither of them told the truth to the Canadian people.

Everyone in the country knows that this legislation will shift people off unemployment insurance and onto welfare. As reported in *Hansard* on June 6, at page 2677, the Minister of Employment and Immigration (Mrs. McDougall) stated: "Nothing could be further from the truth".

How does the Minister of Employment and Immigration respond to the Tory Premier of Nova Scotia, Mr. Buchanan? He had this to say about the changes announced by the Minister: "This is of grave concern to me because that means there is a transfer of funding for these people from the unemployment insurance books to our social service books". The Premier is absolutely correct.

We have asked for the impact studies on which this legislation is based.

[*Translation*]

In fact, the Government has given no thought at all to the potential impact of these measures on the unemployed, let alone the provincial governments. The changes made within the program will also have the effect of taking money out of the pockets of the unemployed to put it into training programs.

Our Party wants training and skills upgrading programs, and it has demanded those for years. We need more of these programs. However, we always took the position that funds earmarked for training programs would come out of the country's general Budget or be provided jointly by business and the government.

• (1610)

Now today, after cutting training and retraining programs for four and a half years, the Government discovers that training is important. However, instead of creating new ways to finance training programs, the Government takes money from the unemployed to pay for these programs.

What will happen is that poorly paid workers in labour-intensive industries will finance the training of skilled workers who hold highly technical jobs in industries that do not employ many workers.

The new programs, which have not yet been announced, will not apply equally to all regions and are not transferable. An unemployed person in Newfoudland cannot be trained to be an auto worker. People who lose their jobs in regions that offer no other employment opportunities will have their unemployment insurance benefits reduced to pay for training programs in which they cannot take part.

And to justify these brutal changes, the Minister of Employment and Immigration (Mrs. McDougall) says that the unemployed do not pay for unemployment insurance, that only those who have a job pay into it, and that therefore, the Government is not taking money from the unemployed.

Of course, the opposite is true: the unemployed will pay for these cuts. They will pay by receiving less money than they would be entitled to under the present program. It is completely wrong to say that the unemployed will not pay.

Unemployment Insurance Act

[*English*]

The Minister of State for Employment and Immigration (Mrs. Vézina) told the House last Friday: "We are not cutting our programs, we are making them more effective and more productive".

How does the Minister explain that to an employee of a small trucking company in Moncton where the unemployment rate is now 11.3 per cent? How can she explain that it is "more effective", to use her words, to be required to work four weeks longer to qualify for any unemployment insurance benefits, and that it is not cutting the program when they will be entitled to seven weeks less of insurance payments?

What does the Government say to the clerk in Corner Brook where there is an unemployment rate of 17.6 per cent? How is it more effective for that person to receive three weeks less in unemployment insurance cheques?

How does the Government explain to the miner in Sudbury, where the unemployment rate is 8.5 per cent, that working six more weeks to qualify and then receiving five weeks less in benefits is not cutting benefits?

What does the Government tell the unemployed lumberman in the Kootenays, where the unemployment rate is 12.1 per cent, who will now need three more weeks work to qualify and who will receive eight weeks less in unemployment insurance?

What does the Minister and the Prime Minister suggest unemployed parents tell their children when there is not enough money to put food on the table, or to buy proper clothing, or to find an adequate and decent place to live?

We are seeing here a Government that ascribes to the big lie theory, practised by so many deceitful regimes around the world to justify their actions. The method is simple. If something is said often enough and loud enough it eventually becomes the truth.

Here is what the Prime Minister said during the French television debate with myself and the Hon. Member for Oshawa (Mr. Broadbent). "We shall maintain all our social programs, without fail. There is nothing in the Free Trade Agreement that will prevent us from fulfilling these obligations, nor in the future, and we intend to spend more on these programs".

Is cutting $2 billion out of unemployment insurance and making people wait longer for fewer benefits how you would describe the way a Government would maintain "all our social programs without fail", Mr. Speaker? Mr. Speaker, would you say that that was how you would "spend more on these programs"? Of course you would not, Mr. Speaker. That is what the Tory Government says. That is what it expects Canadians to believe.

Canadians no longer believe this incessant propaganda of the federal Government. What they are now seeing is the Government's agenda being completely unmasked. The unemployment insurance cuts, the Budget, the trade deal and the Throne Speech make that perfectly clear.

The agenda is clearly *laissez-faire*, but markets run the country. Members of the Government have been following a cynical and calculatedly callous public agenda aimed at cutting everything for the average Canadian to make way for the market forces which will benefit the rich and powerful among us. It has become and is becoming the law of the jungle. It is a world in which only the strongest and richest will survive.

We have said in the House before that there is nothing wrong with business—but the business of business is money and profit, which is fine. The business of public life is people. The mistake this Government is making is that it confuses the two and does not make a distinction between them.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I have said before that I believe in market forces and in competition. I believe in rewarding success. I believe in entrepreneurism. However, Mr. Speaker, you know and I know that the country would not have been built solely on market forces. We built this country east and west and north by resisting the overwhelming continental market forces of the United States. That is why we built a national railway, a national highway, a public broadcasting system, and a national health care system. That is why we had a national public unemployment insurance system paid for by the people of Canada and contributed to by employers and employees alike.

We did those things because we believe as Canadians that the role of our Parliament and the role of our Government is to defend those who cannot defend themselves. I believe that the vast majority of Cana-

dians share this point of view. These values are reflected in programs of fairness that we have built over 122 years.

I am confident that these values can endure. I am confident that Canadians want these values to endure. That is why we will continue to give a voice to those values, to help Canadians understand what is really behind the Tory agenda, what is really behind the philosophy of this Bill, what the Tory Government is doing to make this a very, very different country from the country that we have known.

We have just been present at a vote, the results of which will apply closure against this Bill. Members opposite have the majority. We alone in the Opposition cannot defeat this Bill, which will rob unemployed Canadians of the means to support themselves and their families. Therefore, I want to ask every one of the Conservative back-benchers to consider in his or her conscience just what they are doing here. I want each and every one of the Conservative back-benchers to consider the unemployed in their own riding, the potential unemployed in their ridings and to consider the devastating impact this measure will have on families across the country, in their ridings.

There is no monopoly on unemployment. There is no monopoly on suffering. I want to appeal to the Conservative back-benchers to consider just what they will do at 1 a.m. tomorrow morning in this vote. Each one ought to ask: Is it fair for a federal Government, justified by this Parliament, to make unemployed workers pay the cost of new training programs? I want every one of the Conservative back-benchers to think about whether they really want their constituents pushed off unemployment insurance and onto welfare. I want every Conservative back-bencher to acknowledge that there is a fundamental difference between being on unemployment insurance, a right of citizenship, and being on welfare. Anyone who does not know the difference between the two does not know what Canada is all about.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): A fair and fully funded unemployment insurance program leaves the unemployed with a degree of pride. No fault is attached to the accident of unemployment. No degree of blame isput on those who, through no fault of their own, find themselves without a job. Compare that with the indignity and shame of having to go to a food bank, or having to line up for welfare, and then people will know what we are talking about on this side of the House.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, you do not solve problems of unemployment by taking money away from the unemployed. We cannot solve the problems of poverty by taking money away from the poor. We cannot solve the Government's problems of the deficit by attacking the people who can least afford to bear that burden. We do not build a better country by tearing down the rights of the disadvantaged.

We have seven hours of debate left on this Bill. I want to ask every Member of Parliament to use every bit of time given to us as freely elected members of the people to bring these issues to the highest court in the land. The greatest privilege any Canadian citizen can have is the one shared by Members of Parliament to represent the weak, the disenfranchised, the disenchanted, those who have not been getting the same opportunities as so many of us have.

I urge every Member of Parliament to join with us at 1 a.m. tomorrow morning, to stand up for the rights and the dignity of Canadian workers, to stand up for the rights of citizenship of a publicly financed unemployment insurance scheme, to stand up for the most fundamental of our social programs, to stand up by voting against this Draconian, repressive, regressive piece of legislation. That is my plea to Members on all sides of the House.

Some Hon. Members: Hear, hear!

• (1620)

Mr. Deputy Speaker: Resuming debate with the Hon. Member for Saskatoon—Clark's Crossing (Mr. Axworthy).

Mr. Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, in the five minutes remaining to complete my remarks, I want to continue in the same vein indicating the tragic consequences that will arise as a result of these Draconian measures included in the changes to the unemployment insurance legislation.

The people in my riding see the unemployment rate increasing rather than decreasing and it is not satisfactory to them that their benefits under UI are decreasing when there are no job opportunities for them.

Also, the money which may come from the savings the Government will be making by taking funds out of UI are not likely to be introduced into far-sighted programs but rather into the same short-time shortsighted programs that have existed to date.

The proposals do not make it clear exactly how the Government can justify its hope that the private sector, which in the past has done a woefully inadequate job of retraining and educating workers, will take up this retraining torch and do anything other than look after the private sector's own short-term interests.

The Government's figures indicate that some of the 300,000 Canadians who are currently eligible for UI benefits will not be after these changes take effect. Three hundred thousand Canadians will be thrown on the welfare rolls rather than have the opportunity to obtain UI benefits to which they have contributed throughout their working lives. Without access to the impact studies which the Government must surely have conducted, it is difficult to be precise. Even using these figures, the cost to local economies across the country will, of course, be tragic. The Government's action represents in particular a clear attack on the regions, including the interior of B.C., rural Alberta, the Atlantic Provinces, the North, northern Ontario, north and eastern Quebec and, of course, Saskatchewan. All these areas of the country will suffer an inexcusable and vicious attack.

To compound the problem the federal Government is also banning its support for regionally extended benefits and in so doing is denying any responsibility for regional differences in employment rates which frequently are a direct result of failed federal Government policies. At the present time we are also finding increasingly that federal Government policies are attacking the regions rather than assisting them. This one-two punch is completed when we consider that the Minister of Finance's Budget cuts large amounts of funding destined for many one-industry towns. Entire regions are placed in jeopardy by the Government that sees only balance sheets and accounting formula rather than people.

It is clear that the Bill is a product of the Government's neo-Conservative philosophy rather than any thoughtful government planning.

There are some areas of this legislation which are positive. For example, recognition of the rights of natural parents under the unemployment insurance system is a positive step. But the Government can hardly be said to be visionary on this matter. So too are improvements to sickness benefits which now enable individuals to file for benefits regardless of when, during their claim, they become ill. Another positive step is the change to benefit access afforded to Canadians over 65 years of age.

Once again the Government fought this every step of the way and only after court decisions against the Government did it move to correct these problems.

On behalf of my caucus colleagues and all those across the country who fought long and hard to convince the Government that injustices were being done under the UI system, I think we owe our deepest congratulations for their efforts which have helped move this Government a few steps closer to understanding the need for legislation which is both sensible and sensitive.

I want to conclude by saying that this Bill is more about dividing and conquering than it is about improving the unemployment insurance system. Time after time and clause after clause this Government pits region against region, worker against worker, for an ever shrinking number of dollars.

I do not recall the Prime Minister (Mr. Mulroney) travelling around the country during the election telling people: " Vote for me and I will cut your UI benefits. Vote for me and I will cancel the child care plan. Vote for me and I will cut the amount of money you get through EPF. Vote for me and I will harmonize our nation's social programs with those in the United States. Vote for me and I will make the biggest tax grab in Canadian history".

I do not remember him saying those things, but in the end that surely is what he should have said if he was going to be straightforward and honest with the Canadian people.

These are some of the first shots in the harmonization battle, a battle, I am sad to say, my Party predicted would take place. I will predict that in the weeks and months ahead other similar pieces of legislation will be placed before this House and, as with Bill C-21, the New Democrats will stand firm in their opposition to this kind of regressive legislation. In closing, the Government

must start to put people first. For example, the over 12 per cent unemployed in Saskatoon want jobs, not cuts to UI benefits of $1.3 billion a year.

Mr. Deputy Speaker: The Chair would like to thank the Hon. Member for Saskatoon—Clark's Crossing (Mr. Axworthy) for allowing the Chair to recognize the Right Hon. Leader of the Opposition (Mr. Turner), technically in the middle of his speech.

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, I welcome this opportunity to rise in the House today and express my views of Bill C-21, the views of a parlimentarian who knows the meaning of the terms training, job creation, regional disparity and competition.

Mr. Speaker, since the measures of the labour force development strategy have been discussed extensively, I will merely recall some of its most important aspects.

I would also like to take this opportunity to respond to the criticism from Hon. Members opposite, who in their enthusiasm were at times inclined to misrepresent this Bill.

First of all, I think we should look at the background of this labour force development strategy. Since it came to power, this Government has always put great emphasis on job creation. We believe that a nation's wealth starts with universal access to the labour market.

There is another, equally important principle. Canadians want to work, as long as they are given the means to do so.

[*English*]

As it turns out, the opportunities in the labour market are reducing for workers with minimal education and professional training. Faced with competition, new productivity methods, more complex equipment, which in turn changes the nature of the jobs offered, Canadians must acquire different skills and more varied skills in all sectors of the economy.

[*Translation*]

This Bill, with the measures it entails, will help Canadians be better prepared to meet the challenges of the twenty-first century. It is not just a matter of adjusting to the realities of free trade. It is also a matter of being able to take advantage of the enormous potential of Europe in 1992 and of competing with Asian countries.

Beyond all economic considerations, Mr. Speaker, there are men and women to whom a steady, paying job means a better quality of life. And that is exactly the purpose of this Bill.

Throughout the debate on these issues, I was astonished, to put it mildly, every time our friends opposite claimed that Canadians would have more trouble paying the rent or buying food. Mr. Speaker, these are just more scare tactics. Should I say: Once again, our neighbours across the way are going on a witch hunt.

We have $12 billion to spend in the unemployment insurance fund, and we will spend those $12 billion. Not a cent will be saved as result of this reform. All Canadians who are entitled to benefits will receive them. In addition, they will have access to further training and thus acquire additional tools to work their way out of the vicious circle of low-paying jobs, unemployment insurance, welfare, and back to low-paying jobs again.

Something had to be done, Mr. Speaker. Canada may soon be facing a serious shortage of skilled labour. Across this country, I have met entrepreneurs who were desperate because they were unable to find skilled workers. In the circumstances, this Government realized that it had to find the means to turn the situation around.

Mr. Speaker, we didn't do this as a favour to the unions, to employers or to Canadian voters. We did so because we had to pursue the policies of a responsible Government, a Government that is building the future of this country's economy, a Government that believes in the intelligence and creative skills of its workers.

[*English*]

This reform, to be entirely successful, must be backed by the private sector in terms of concrete measures. Employers have a primary responsibility to train our workforce. The $230 million which we intend to inject into increased training must encourage employers to do

their share. It is in the best interest to do so as well as in the best interest of workers.

• (1630)

[*Translation*]

In this debate on Bill C–21, we also heard our colleagues opposite say that the economically weak regions would be the hardest hit. Mr. Speaker, they obviously do not know what kind of parliamentarian I am. They forget that I have always fought so that regions like mine could be treated in a way that reflects these social and economic characteristics.

Of the $230 million for increased training in the private sector, $50 million will go to help communities whose economy has been affected by market changes. This money is in addition to the $148 million that my Government is already spending on job creation. The Unemployment Insurance Plan will not only be more active, it will also play a role in development.

The Opposition also accused us of perverting the Unemployment Insurance Plan. Such statements obviously show a misunderstanding of Bill C–21.

Take for example the $50 million more for the Canada Assistance Plan so that welfare recipients can acquire skills and experience to get a job. This is a very important target group. They are very often young people of 18 to 25 who dropped out of high school and are marginalized, with no future.

Including money from the provinces, there is $200 million more a year to put welfare recipients back to work. In fact, 20,000 of them will be able to improve their training. Is that what the Opposition calls perverting the Unemployment Insurance Plan? I would call it making the best possible use of the resources available.

Mr. Speaker, with the rhetoric that has been characteristic of this debate, the Opposition has claimed, without explaining why, that Bill C–21 was unfair and misleading. It is not that way at all. Just think about what we are doing for new parents and people who are 65 and over. We propose to allocate an extra $450 million to special benefits. The combination of maternity, parental and sick leave will be increased from 15 to 30 weeks.

These improved benefits will give parents more generous income support while helping them to reconcile professional goals with family responsibilities.

[*English*]

This represents one of the most progressive measures proposed by any Government. As Minister of State responsible for seniors, I dream of a society free of all forms of discrimination based on age. The Labour Force Development Strategy addresses certain injustices of which persons aged 65 or more are victims. In the future they will be protected by paying UI premiums and having access to benefits when needed.

[*Translation*]

This measure not only complies with Charter requirements, it also responds to the wishes of thousands of Canadians who want to stay in the labour market and for whom reaching the age of 65 often coincides with the start of a new career.

The Opposition also accused us of cynicism and of wanting to make Canadian workers more docile by penalizing those who leave their jobs without a valid reason. Mr. Speaker, I prefer to reduce the unemployment insurance benefits of workers who leave their jobs voluntarily, in order to help the unemployed who want to work.

I would remind the former of the basic principle of the Unemployment Insurance Program: to provide temporary help for those who had the misfortune of losing their job. That is our definition of the safety–net concept.

At the present time, more than $1 billion in benefits are paid to people who leave their jobs without a valid reason. And I would like to take this opportunity to remind Hon. Members that there are precedents to define those valid reasons and that it is not our intention to oblige people to submit meekly to sexual harassment, racial discrimination or attitudes of that sort. I may also remind Hon. Members that I am the Minister responsible for the employment equity policy and, as such, very much aware of these situations.

What this measure says is that Canadian workers and Canadian employers no longer want to pay as much for people who decide to stop working of their own accord.

Briefly, Mr. Speaker, we are offering an improved unemployment insurance plan to this House and to all Canadians. The plan will continue to help those who lose their jobs, in addition to helping them to obtain training.

The unemployment insurance program has ceased to be a passive institution. It is now an active source of additional tools and holds out the hope of a better future to thousands of Canadians who are now unemployed.

Mr. Speaker, we want to create jobs. We want to create opportunities, and training remains the cornerstone of this important social objective. It is a bold plan, but it is commensurate with the challenges my Government intends to meet.

Mr. Speaker, it would be irresponsible to postpone implementation of the labour force strategy. Canadians want these dynamic and effective measures. They don't want to wait six more months. They have waited long enough as it is. Canadians want to work.

Mr. Deputy Speaker: On debate, the Hon. Member for South West Nova (Ms. Campbell)—no questions or comments.

Mrs. Coline Campbell (South West Nova): Mr. Speaker, I am sorry to see this debate today on the Unemployment Insurance Bill, which is intended to give taxpayers control. It is shocking to see that the Minister of State for Employment and Immigration (Mrs. Vézina) is not aware of the cuts that will affect some people—

Where are the Opposition Members, where are the Members representing ridings like South West Nova?

Mr. Speaker, I just want to say, to begin, that we are now debating closure. We only had one day of debate on this Bill. Only three Liberal Members and two New Democrats spoke—

The Minister may say that the Opposition's concerns are not justified, that it is not really what this Bill will do—

[*English*]

This Bill wants to privatize the unemployment insurance program. I would like to expand on some of the comments made earlier today by my Leader and my colleague, the Hon. Member for Notre-Dame-de-Grâce (Mr. Allmand) when they spoke on this legislation. This is legislation which will see more than $50 million per year taken out of the economy of Nova Scotia beginning in 1990, taken from seasonal workers who want to stay there to work, who would like to have a year-round job, but due to the seasonality in Canada, it is impossible everywhere to have a year-round job. Perhaps the Minister represents an area where employees can have full-time jobs. She is lucky. The real Minister of Employment who is from Toronto is lucky that she comes from the boom area of Canada.

I would like to talk about the commitment to training contained in this Bill over which the Government and the Minister of State (Employment and Immigration) (Mrs. Vézina) have congratulated themselves for having made some tough choices. Among other things, Bill C-21 calls for the transfer of some $800 million from the main unemployment insurance account, that pool of money into which Canadians deposit about $13 billion annually, for a variety of public and private sector retraining initiatives. This is what the Government is planning.

It is a basic moral obscenity when the Government reduces training funds by $700 million from 1984 to 1989, and turns around and taxes those least able to afford it in order to demonstrate some long-term commitment to their employment welfare.

We in the Opposition have long demanded more generous training programs, both as a principle of good labour-market management and in response to the challenges that the Government sees in the Free Trade Agreement. But never in our darkest imaginings could we have foreseen the spectre of a Canadian Government taking away the hard earned benefits of those who through no fault of their own find themselves out of work, in order to reconstitute a training regime or program which it was responsible for gutting in the first place.

• (1640)

The training initiatives provided in C–21 also clearly constitute an unfair transfer of resources. The jobless are being told to pay the freight for those who wish to upgrade their skills when in fact those on unemployment insurance tend to lack the literacy skills and level of comprehension of UIC procedures necessary to take full advantage of the training programs on which the Government prides itself.

If history is any guide, it is the large companies like IBM, which already administer effective training programs, that will fully utilize these incentives, leaving some poor displaced worker, who would use UIC benefits to pay for basic food and shelter, seeing his or her money go to pay for the computer skills course of some well–heeled middle manager.

The design of the proposals contained in C–21 also demonstrate once again the Government's time–honoured habit of ignoring the recommendations of its own studies. Let me refer to Mr. Jean de Grandpré's Advisory Council on Adjustment which recommended shifting priorities within UIC away from income maintenance and toward employment promotion or training. However, his council did not counsel any lowering of the financial safety net. I quote directly from the report:

> The Council recognizes that the safety net is important and that it may be more important to Canada's regions which may not participate in our fast–growing economy.

Where are the government MPs who are not here to protect their ridings? They should be here because they also have slow growth areas within their ridings which this Bill is going to hurt.

The Government commissioned another study which it did not follow. Claude Forget's study on unemployment insurance called for an approach to reform, loosely along the lines of C–21, but only if an income supplementation program for lower income workers was in place. Like Mr. de Grandpré, he felt that Unemployment Insurance reform should seek to enhance the safety net and not reduce it. This Bill is doing just the opposite. It is creating fear in areas where there are no jobs. It may bring the workers to Ontario, but Canada has seen that before and it did not work.

What galls me most in all of this, Mr. Speaker, is that the Government prides itself, indeed preens itself, on its ability to make tough decisions, but it refused to demand greater participation by the private sector in our national training effort. And it is the private sector, after all, which stands to benefit most from any training regime. This is especially surprising given the attention which the Government has lavished on the training question for the last half decade.

For most of the Government's term in office we have been witness to a good deal of debate and governmental hand–wringing about the training gap that exists between Canada and our major trading partners. For example, Canadian businesses spend about $1.4 billion per year on formal training, about half that of the United States on a per–employee basis. We provide an average of one hour per year of ongoing training while the Japanese provide about 200 hours per year. We do in fact have one of the worst private sector training systems in the industrialized world.

The Government did not go after that group to help on the training. It went after the weakest part in this country, those people who need unemployment insurance benefits because of the seasonality of the country.

C–21 tells us that the Government plans to "encourage" the private sector to do more through a process of consultation and the setting up of public–private sector consultation boards, the total bill for which is about $230 million. This approach has never worked in the past. Indeed, Mr. de Grandpré believed that "the private sector will not increase its training effort simply because it is exhorted to do so". In order to compel compliance, he recommended the imposition of a 1 per cent payroll tax on those companies which do not have a comprehensive training program with a provision for refund should compliance follow.

This Bill tells us that despite all its tough talk the Government did not have the intestinal fortitude to tax those who are really responsible for maintaining the competitive edge of the Canadian economy in training and high technology. Maybe the Government thought that putting a tax on the very people who bankrolled its victory in the November election was too tough an alternative. Or perhaps the Tories felt that it is time to get tough with the poor, the uneducated, the powerless, those who do not have enough economic votes to cause the Government any real electoral concern. Or maybe the tough talking Tories felt that after all the years of seeing the rich subsidize the poor it was just about time to see the poor start subsidizing the rich.

This is bizarre logic, Mr. Speaker. I hope there are other reasons for this but it comes out clearly that this Bill is affecting the poorest and least powerful group of Canadians. If that is the logic, it is inconsistent with the values which we Canadians have long cherished, but it is the only logic of which the Government appears capable.

Bill C–21's provisions for training are, of course, not its only misguided element. As a Nova Scotian and the representative of a predominantly rural constituency largely dependent on seasonal industries, and I refer to fishing, forestry, farming and tourism, I am keenly aware of the negative impact that the changes in entrance requirements will have. Employers in seasonal industries will find it difficult to extend the number of weeks of employment with the likely result that provincial and municipal welfare roles will expand.

It is ironic that part of the purpose of this Bill is to take people off of welfare and retrain them. These people have jobs, they are needed seasonally. More ironic, we all know that the problem currently being experienced in the fishery is that there is not enough fish. Give us the fish and the people will work year–round. Get rid of some of the attitudes of the present Minister of Fisheries and Oceans (Mr. Siddon) toward the East and we will probably have a longer season of fish processing.

Last week the coalition from the West came in and told us that their unprocessed fish had to go to the United States to be processed. The Minister for International Trade (Mr. Crosbie) stood up in the House and said that that does not hurt. Indeed it does hurt. It means that those jobs are not staying in Canada, it means that those workers are not getting longer employment in a natural resource which is renewable and which is Canadian. The fish is caught in Canadian waters. It is landed, they say, and they say that that will not offend GATT or the United States. We will see if it offends the United States. They will probably turn around and use the omnibus trade Bill against us as they did on hogs and as they are trying to do in intellectual property.

• (1650)

I have a lot of relatives, like a lot of us in here, from the United States. When the United States says something they do it. When Canada says something, it does not do it. It shies away from standing up against the United States.

If we had fish, we would have jobs. We would not need the UIC. My people in South West Nova need fish. They need longer tourism seasons. They would like to finish their natural resources further. Maybe if the Government put effort into finding ways to produce longer,we would have full time employment, like the Minister before me was saying that we in the opposition are so pessimistic about it.

The fact is that this Bill will affect the people. It does away with the three–phase system and it brings in one phase. If we go by the unemployment insurance statistics in Nova Scotia in 1988, where you have an average unemployment rate of 10.2 per cent, and an average beneficiary of 50,180, and an average weekly benefit of $193.37, the total pay–out in 1988 was $527,395,520.

What is the impact of the changes? Cost per beneficiary, because the average loss is probably five to nine weeks is $1,160.22. That is per beneficiary. The cost to the province is $58,219,839.

You cannot tell me, Mr. Speaker, that that is not going to hurt, and that if you retrain them and send them to Ontario that the people are going to have a better quality of living by moving into downtown—well, they could not move into downtown Toronto, they could not afford it. They would have to take a tent. Perhaps they could be moved into rural Ontario and they would have to work. It did not work before. It is best to find the money to keep the jobs there, or to find a change in direction, like in fish, which is going to give jobs to the communities and produce longer working times in these rural communities.

However, we cannot, as this Bill is doing, take away from the seasonality of Canada, cut back those seasonal workers and leave them in a worse position than they were a year from the time that it starts. Starting in January, 1990, and with closure on this Bill, it means that this Government is serious about how it is going to affect it. Those people will be in a worse position than they were the previous year.

The only time that this Government has said in the Bill that it will put money into it and retain the three–phase system is if the unemployment rate is over 15 per cent. There were four areas in Canada, two in Newfoundland, one in Cape Breton and one in the Okanagan Valley, Kamloops or somewhere in that area, last year. There were only four areas which had an

unemployment rate above 15 per cent. That is the only time that the old system will work if that unemployment rate is above 15 per cent.

Now you tell me, Mr. Speaker, that those people are not going to hurt, and that the Minister of Employment and Immigration's (Mrs. McDougall) retraining package for Ontario and rural Ontario is going to help retrain people who already know how to cut fish. They know how to go out and work in a mill. They know what the tourism trade needs. We have an excellent tourism industry.

I see my time is coming to a close. I would just like to end by saying that the use of closure after one day of debate is about the worst type of procedure that I have ever seen in my time in Parliament. The use of it to end a debate on a Bill which is so important, maybe not to downtown Toronto or downtown Vancouver, but to all the people who rely on the unemployment insurance program without an alternative from this Government. Look at what de Grandpré said. We could bring in what he wants. That is not what the Government did. However, it does not provide a safety net for those rural people. Forget said the same thing, provide a safety net for those areas which are not in the urban centres where there is a high unemployment rate.

I hope that when the Bill goes to committee that all Canadians will write to all their Members of Parliament and show their dissatisfaction with the direction of retraining and no supplement to the people who are going to be hurt more next year. I hope they write to every one of the Government Members and particularly the Ministers. We have the summer, hopefully, unless they are going to close this Bill. If so, it will be an experience to sit in this House to see the most important piece of legislation for my constituency come into this House and be closed after one day of debate on second reading. It is unheard of. It is unconscionable.

Mr. Deputy Speaker: Resuming debate with the Hon. Member for Don Valley West.

Hon. John Bosley (Don Valley West): Mr. Speaker, Bill C-21 is an important piece of legislation. It always astounds me when I listen to Members of the Opposition on Bills like this. We wonder where the real world ever enters into any of their thinking.

There is not a program, apparently, according to the Opposition which is touchable if those touches make it better. The essence of the argument which we have heard throughout the conversation about the Bill is as follows. The Opposition states that they support retraining, provided no changes are made to the unemployment insurance system. If we translate that, that means, provided that somebody finds some way to get somebody else for more money to pay for the training through Government. If we do not know after all those years of the Liberal Government what the consequence of that would be, which would be simply to put more people on the unemployment insurance rolls by driving the cost of Government up again, then we have not learned lessons from the 1960s and 1970s. That is ultimately, I guess, the difference between the kind of policies which come from this side and the kind of policies which came from the other side. I suppose if the economic solution for the fishermen is to make a case that we need more fish, and to argue somehow the Government's purpose is to invent fish, when in fact what the Government's whole policy is about at the moment is attempting to conserve the existing stocks so that—

Mr. Milliken: Mismanagement.

Mr. Bosley: This Government did not mismanage those stocks. It happened before this Government got into office. The Hon. Member for Kingston and the Islands (Mr. Milliken) knows full well that that is the case. It has been since this Government came into place that conservation efforts have begun and pushed. Do we find any support from the Hon. Member and his Party for that? No. We find such arguments as, the economic solution for the fishermen is to invent fish. Well, if it could be done, it would be. It cannot be.

If we are going to try and do something for the fishermen in this country, it seems to me we do exactly what this Bill says, we say that because they have a problem the procedures for self employed fishermen will not be touched by these amendments. Not touched.

Nevertheless, Opposition Members, I suspect, and other good friends of mine from Nova Scotia will probably make the same speech later claiming somehow

that what is going on in here affects the fishermen of Canada, when it is not. However, if that is the way the debate wants to be held, that is the way it will be held.

The issue for this country remains the same. Governments have had to face this fact, that it is not a question any more of being able to with credibility say to the people of Canada the solution for our problems is to find more money from Government and throw it at the problem. What we have to do in this country, and it has begun finally under this Government in the last five years, is figure out how to use money smarter in order to put people back to work who want help. The solution is not to spend more money on unemployment insurance for the unemployed. The solution so clearly is to use unemployment insurance moneys and other moneys for those people who are unemployed in order to get them permanent work.

Every time we have made that case, Opposition Members have risen in this House to say that it will not work. The predictions have been dire. Whatever change we make and whatever tax policy change we make, we are told consistently, hundreds of thousands of people will go out of work as a result. The evidence is in this country. It does not need to be repeated. I say to the Members opposite, that exactly the same thing has been happening in this debate. We are being told that hundreds of thousands of people will go off the unemployment insurance rolls onto welfare and all the misery which that implies because of a change in a $13 billion program to take $800 million and spend it on training people better than we now do.

• (1700)

Surely it is self-evident, when one looks at the consequences of leaving people on unemployment insurance, if you deal in the world where we come from in Toronto. People must not be left on unemployment insurance assuming they will get some training. Those days have to go. It ought to be self-evident to Members here—and I think it is to Members on this side, Mr. Speaker—that the proposal from the Minister is in line absolutely with the labour adjustment policies of this Government in order to bring not only this program into the 21st Century but all of our labour adjustment programs into the 21st Century.

The Hon. Member opposite is a good friend of mine. He was with me last week in Europe. We were there examining what is going to happen in 1992 in Europe. What happens has significant consequences for us in the competition this country will have to face.

There are no arguments among the countries of Europe about rationalizing and harmonizing the support programs for those who need help in order to be retrained. These people know it is self-evident. We apparently do not. It is to our shame if we do not understand the importance of this kind of policy change. The Europeans know full well that they are going to have to rationalize and harmonize their standards in order to be competitive in the market. So have we. I do not see this, as some Members opposite would claim, as the be all and end all. Of course not. Nor does the Government. It sees this Bill as an essential part of all of its developments in the labour adjustment strategy, the most important of which will be the final elimination of the barriers to trade and activity between the provinces of this country so we at least in this country can have a common market.

It is about time we got to that if we really want to put people to work. I hope we will not be impeded by the consistent and everlasting resolution of some provinces not to be involved in that for reasons that have historically to do with sovereignty. I hope we will recognize the international world we now live in and that we will come to the global competitive position that we have to.

The Right Hon. Leader of the Opposition (Mr. Turner) referred earlier to the UIC program. The ground shifts, I notice, for Liberal leaders. This is now the most important social program in Canada. A couple of weeks ago it was medicare, a couple of weeks before that it was something else. It is a serious program. The Leader of the Opposition accused us of letting the market function. You bet we are going to let the market function. That is what makes the work for people who get off unemployment insurance by the creation of jobs. That is the only place it will come from. My family was Liberal before the Hon. Member for Kingston and the Islands (Mr. Milliken) was born. We laughed over these issues. If Liberals still believe that you are going to drive the engine of growth and job-creation in this country with government programs, then they are living in pre-Keynesian, 19th Century ignorance that this country deserves to be protected from.

Mr. Milliken: That is rubbish.

Mr. Bosley: It is not rubbish. The whole consequential issue of what this Government has done is to say that there is a place for the safety net. It is protected here. It is fine-tuned and adjusted here to be useful, more useful than it now is. The concept that we will just keep taking out of the public pot, more and more out of the economy of the country to put into needed programs, that I hope—even for the Liberal Party—is a *passé* policy. Otherwise the Liberals will be where they deserve to be, in oblivion.

An Hon. Member: Never.

Mr. Bosley: We will watch with interest all of the various candidates for the leadership of that Party tell us where they stand on these issues.

One of the most interesting books to come out is from the Hon. Member for Broadview—Greenwood (Mr. Mills). I hope some Members of his Party read some concepts in it because there are some good ones having to do with letting the market function, recognizing that you cannot constantly be interventionist yet create wealth and work for people.

An Hon. Member: Did he get a Canada Council grant?

Mr. Bosley: I understood the Member did not apply for a grant from Canada Council to get the book published, in which case he would be unusual in his Party, but there it is.

Some Hon. Members: Oh, oh!

Mr. Bosley: In a riding like mine where nearly 20 per cent of the citizens are over 65 years of age, one of the complaints for years has been the difficulties that people approaching their senior years face who want to carry on working.

Court charters and other challenges notwithstanding, one of the things in this Bill that I think the Opposition ought to identify as a good thing is what it will do for older workers. Let us remind people what it is the Opposition says it is going to vote against with regard to senior citizens and senior workers of this country. They claim this Bill ought to be shot down and torn apart.

An Hon. Member: Not just for that reason.

Mr. Bosley: The Opposition always has a reason. In this case the Liberals will go back to doing all the good things in this Bill and spending more money on the other things. Isn't that amazing? In an election campaign, we used to get that from people who called themselves the Albanian Communist Party. That group of people campaigned in every election, on every program. It was make the rich pay, make somebody else pay, make more money available by taxing somebody else, get more money into the system for the programs. I never thought I would hear that whole policy shift from the Liberal Party of Canada, but we hear it again. It was just voiced. Make somebody else pay for it. Is that the consequence of the new Liberalism? I do not have to worry for our successors. Members here will see what will happen in following elections if this is the new policy direction of the Liberal Party. Maybe I am not getting it. Maybe it is not that the old policy was good enough, the new Liberal Party wants to go even further and spend even more money. That would appear to be the new Liberal solution.

Mr. Walker: Check the Budget.

Mr. Bosley: An Hon. Member says check the Budget. I stood in this House and listened to Allan MacEachen, now practising his ways in a different place, argue that the solution to unemployment in this country—which is what this Bill is about, at least the safety net portions—is to raise taxes, raise the deficit at the same time and raise the spending of the Government. As a consequence of that for program spending—not interest payments—the consequence of increasing the share of GNP taken by government would enable the GNP to grow.

An Hon. Member: Your policy?

Mr. Bosley: No, it is not our policy. You will find that under this Government the proportion of debt and of debt servicing and the share of GNP carried by the debt burden is in decline. This is the only way in which to put more money in the hands of private entrepreneurs to create work. That was not the Liberal policy of the time. The Liberal policy of the time was dead clear. Tax more, take more, and somehow the economy will grow more. The evidence was right before us.

I think Canadians are far too sophisticated now to believe again the rubbish that was attempted to be perpetrated on them by predecessor governments of the Liberal Party. I think when Liberals still sit on the other side saying "Oh, no, we'll keep the good parts, you like the older worker parts, good for you. We'll keep the good parts. We'll simply throw more money at training programs. We'll throw more money at this and we will

throw more money at that". That old Liberal policy is thoroughly invalidated.

I do not like to throw money at programs that have been proven to be inefficient. The Hon. Member for Davenport (Mr. Caccia) is showing his usual capacity for keeping his ears closed and his mouth open.

Charlie, I will listen to your speech when you speak.

Mr. Caccia: I have had enough.

Mr. Bosley: We do not have the American practice, but since the Hon. Member for Davenport is exercised, I would be happy to cede the floor to him for a few minutes. It might get it out of his system.

Mr. Caccia: Wait for 1992.

Mr. Bosley: Oh, we do not have that practice. I will stay and listen to the Hon. Member for Davenport if he will listen to me.

Mr. Caccia: I have had enough.

Mr. Bosley: Oh, you have had enough? Well, the people have had enough of the kind of policy the Hon. Member for Davenport supports.

Some Hon. Members: Hear, hear!

Mr. Caccia: Wait for 1992.

Mr. Bosley: I am perfectly happy to wait until 1993 and the next election.

The Hon. Member is convinced. Old Cabinet Ministers forget that they may remain old Cabinet Ministers if they adopt the same old policies that they adopted when they were new Cabinet Ministers years ago. They adopted policies that are utterly discredited by every economic institute in this country.

What this is about is clearly and simply a recognition that some of the issues in terms of the Unemployment Insurance Commission and the unemployment insurance program can be used in more efficient ways to do more good for those who need that help. That apparently is such a novel idea, so threatening, that Members opposite claim somehow that the poor or the powerless are hurt by an improvement in the training programs for those same people.

An Hon. Member: Training for what?

Mr. Bosley: Training for what, says a Member? Training for the jobs of the future. What is the Member's alternative? Is it no training? I suppose the Member opposite has never done what some of have done, which is sit in Manpower offices and offices of the Commission listening and dealing with constituents who are trying to get every little bit of training out of the Commission they can get because they do not want to remain unemployed. They do not want to remain unemployed, whether they are 45 or 65, young or old, women or men.

• (1710)

One of the issues opposition Members ought to be raising, an issue I want to speak about briefly—

Mr. Walker: You only have three minutes.

Mr. Bosley: That is all it takes. It only takes three minutes. I have spoken to the Minister about this and I am sure this issue will be addressed. It is whether or not there is humanity in the officers at Manpower to do the matching that needs to be done. I believe that 99 per cent of the people who work at Manpower on the training program side are about as well-intentioned, generous and kind as can be, but they are so overworked in some ways that sometimes they do not have the time to do—

Mr. Caccia: Because of your cuts to the Department.

Mr. Bosley: Because we do not yet have the funds for the training programs, which is why this is changing so we will have more funds for the training programs. One then hopes that we will be able to use those funds in a more humane way. We have always known that we did not have enough money—

Mr. Caccia: You don't know how to spell it.

Mr. Bosley: I don't know how to spell it? The Hon. Member for Davenport is in his usual mood.

Mr. Caccia: Right.

Mr. Bosley: I accept that.

Mr. Caccia: Spell it for us.

Mr. Bosley: Spell it? S-u-c-c-e-s-s, j-o-b-s, w-e-a-l-t-h. Work for people, that is where this is going.

Mr. Caccia: The word "humanity".

Mr. Bosley: The word "humanity"? Humanity is that I wait and listen to the Hon. Member when he speaks but he does not have the humanity to be quiet when someone else is speaking.

I know that as a result of these changes, two things of some consequence will happen. We will contribute to the continuing reduction in the number of permanently unemployed, particularly those who wind up for sad reasons being repeaters in the UIC program because they do not have enough training. If we are successful doing that alone, we will have made an enormous impact, particularly on the urban poor.

Mr. LeBlanc (Cape Breton Highlands—Canso)): No, it doesn't affect anybody.

Mr. Bosley: The Hon. Member doesn't know what is going on in downtown Toronto.

Second, I think we will see when we revisit this in about three years that all of the predictions we are making about more jobs and employment for those who need it will again have come true.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I would like to begin by saying that I enjoyed listening to the speech made by the Hon. Member who just spoke. However, if he had dealt directly with the issues at debate before us today, he might have answered three questions. He might have answered first why it is that the Government, after just one day of debate, has decided to shut off debate on the principle of this important Bill. He refused to deal with that question.

The Hon. Member might also have answered why it is that, despite the fact that the Department of Employment and Immigration has carried out and completed impact studies to determine what will be the effect on different parts of the country and different groups of people of these changes, the Department refuses to release these studies and has in fact stated so by letter in its refusal under the Freedom of Information Act. Why is this so if the picture that is to be painted by those impact studies is so grand and glorious, as the Hon. Member has suggested? Why is there an attempt to first ram this Bill through so quickly and, second, to suppress crucial information which should be before us when debating the principles of this Bill?

Third, I would have thought that the Hon. Member himself might have dealt with the real principle here, which is not the question of whether or not Members on this side of the House or on that side of the House are concerned about training. The Hon. Member knows full well that all three Parties have made commitments to both the principle of increased training for people who are unemployed and to particular ways to put that principle into effect. That is not the issue. The issue is whether it is right to take beyond that $800 million which is being given to training, a further $1 billion out of the unemployment insurance fund and effectively put it back into the coffers of the Government because the Government will not in the future pay for regionally extended unemployment insurance benefits. That is the real principle.

The real principle, though the Hon. Member might wish to deny it, is to shift a large amount of money which in the past the Government has been responsible for when it let unemployment rise above 4 per cent. It will no longer provide that money to the unemployment insurance fund and, instead, contribution rates will be increased for those who are unemployed and for employers.

That is the real issue. If government Members had the courage to participate directly in questions and answers during this debate, as they would have to do if they had not put closure into effect, that is the issue they would have to answer to. However, they have now succeeded in being able to simply make witty, interesting but ultimately incorrect and unacceptable interpretations of the legislation before us.

This legislation is very clear-cut. In at least 30 different ways, this legislation makes it significantly more difficult for people who are not able to find employment to get the support which they as contributors to an insurance fund have surely the right to expect when they face what they have insured themselves against, the condition of unemployment, and we will demonstrate that in committee.

I could point out that this piece of legislation goes against everything the Government promised during the last election campaign. Frankly, though, that would be nothing new. That would not be a novelty. Ever since the Government was re-elected on November 21, it has completely turned its back on every promise it made to the Canadian people in order to win re-election. Whether one takes the promise of a vast program of child care, the promise of a tremendous defence of regional development expenditure, the promise that none of our social

benefits would be affected by free trade, one finds that ever since its election the Government has made a complete U-turn. To put it bluntly, it has spit in the eye of the Canadian electorate and stated: "We don't care what we promised you. We think we are going to be here for the next five years. You can like it or lump it, but you are going to have to take it, and we are going to give it to you as hard and as viciously as we possibly can".

• (1720)

As the previous Member attempted to suggest, the issue is not a question of us on this side of the House saying let us give everything we can to the people of the country without worrying about who will pay for it. That is not the question. The question is, who pays for what is crucially needed in the country? Who pays for what we said during the election campaign was crucially needed, a program of adjustment, a program of training, and a program of help for those people who would be hit by the free trade deal? Who pays for that?

Do we do as those countries in Europe the previous Member talked about? Do we make the companies that will benefit—or so we were told during the trade deal—so immensely from that deal pay a somewhat greater increase, a 1 per cent levy for training? Even such an obviously radical socialist as the head of Bell Enterprises, Mr. de Grandpré, suggested that companies should have to pay a training levy within the country. Do we do that in order to finance the crucial adjustment assistance that is needed?

Instead, do we do what the Government has decided to do? Do we take the group which is the most vulnerable, the weakest, the most up against it, those who are unemployed and have been unemployed for significant periods of time and often live in poorer regions of this country, and say to them: "I'm sorry, but for the good of Canada please be patriotic. For the good of our country's economy, accept the sacrifice and tighten your belts. We know you are close to starvation and your level of assets has been reduced tremendously by this period of unemployment, but we think you have still got something to give Canada. You have still got something to give to the corporate elite in this country. So we are going to ask you, you who are unemployed in Nova Scotia, Newfoundland, the interior of B.C., northern Saskatchewan, northern Ontario, or even in parts of our major metropolitan cities such as Montreal, Toronto, and Vancouver—where there are pockets of significant poverty and unemployment—to pay the cost of adjustment". That is what this piece of legislation tries to do.

Or do we take a position that has some sense of equity, social justice and fairness within it? Do we take a position that, at the very least, those who are somewhat better off in society should be the people who end up paying for the adjustment costs that are there as part of putting the trade deal into effect?

For those of us on this side of the House there is no question how that choice is answered. It is answered by stating that it is not the poorest in our country who should pay. It is not the people who are out of work. It is not the poorer regions that should pay for something which will benefit the large corporations.

Instead, we suggest, and have suggested again and again, that the adjustment costs and the training benefits which are crucial for the future of this country should be financed by the corporate sector and by taxpayers who are better off. It should not fall on the shoulders of those people who are the poorest within this Canada of ours.

It seems to me so self-evident and clear-cut that that is the just way to go about doing things which all of us in the House want to see done: an expansion of training, training for those who are out of work, training for those who are not officially unemployed but are out of the labour force, training to give them an opportunity for the future. The payment of those costs should not come from the mean, nasty and vicious attacks on the unemployed which are part of this legislation, but from those people who have the resources and the opportunities to be able to make a contribution to those increased costs.

That is not what we have in front of us. Despite the absence of any promise in the pages and pages of promises the Government made in the last election, despite the absence of anything in those pages about a squeeze on unemployment benefits, we have an attack on those who are out of work. In the past I have called it "Thatcherite" in its philosophy. That is why I was a little surprised to hear the previous Member speak so roundly in its favour. But I suppose it is necessary to work one's way back into favour by giving a sense of support to things which are surely insupportable by any of the

philosophic views which I know the previous Member actually holds.

• (1730)

What we have is a set of changes which in cities such as Sudbury, Yorkton, Edmonton and in areas such as King's County in Nova Scotia, the Eastern Townships of Quebec where, in the past, one was able to get up to 21 weeks of support as an unemployed person after 11 weeks of work, one will not be able to get any support whatsoever now. After 17 weeks of work in those areas one used to be able to get 37 weeks of support. Now it will only be possible to get 24 weeks in terms of benefits.

In other areas such as Montreal, the lower Fraser Valley of B.C., Victoria, Cumberland and Guysborough Counties in Nova Scotia previously after 10 weeks one could receive 34 weeks of support to try to help one to find a new job. Now one will receive nothing. In those areas previously 16 weeks of work would get one 40 weeks of support. Now it will get just 27 weeks in which to try to find a new job. These are in areas where it is difficult to find employment.

In an area such as Fredericton, New Brunswick, 10 weeks of work previously would get one 38 weeks of support. Now one will receive nothing. It is an area in which 15 weeks of work would entitle one to 43 weeks of support. Now one will receive just 30 weeks of support.

In fact, in 90 per cent of the 48 unemployment insurance regions the number of weeks one will have to work to qualify for UI has increased, and increased significantly. In over half the regions the entrance requirement will increase by six weeks.

Some 20 per cent of all people who receive unemployment insurance take more than 20 weeks to find new work. Most of these people will be unable to claim unemployment insurance in the particular areas in which they live under these changes.

This is a measure which will hit people, and hit people hard. Across the country there are groups speaking out against this move. They are saying that this approach is not just or right and certainly not what the Government promised. Yet in the face of this opposition the Government comes to the House today and wishes to slam through this legislation using its majority with no sense of the importance of having a full debate on the principles involved here.

Frankly, the Government should be ashamed of itself for not presenting to the people of Canada the chance to debate and consider these issues in principle over a significant period of time. This is dangerous damage to the people of Canada. It is an abuse of power. It should not take place. I hope that the people of Canada will stop it from taking place in the future.

Mr. Doug Fee (Red Deer): Mr. Speaker, I am pleased to be able to add a few of my thoughts and words to the debate on Bill C–21. In listening to Members opposite I have not agreed with many of the conclusions which they have come up with. However, there was one exception. It was in the closing remarks of the Right Hon. Leader of the Opposition (Mr. Turner). He said the greatest privilege available to Canadians is that of standing up in this House to represent the views of other Canadians.

Those of us who sit in this Chamber are privileged. We are privileged to sit here and participate in debates. However, that privilege takes with it a responsibility, a responsibility not only to our own constituents but to all Canadians. In our deliberations we must represent the diverse thoughts and feelings of other Canadians and hopefully arrive at a conclusion that will benefit the majority of them.

Within each of our constituencies are many strong and diverse opinions. It is our responsibility to listen to these opinions. We have to reflect on them. Finally, we have to represent them to our colleagues and enunciate them in the House. In some ways each of our constituencies reflects the nation as a whole. Just as Canada contains many different values, opinions and ideas so does each of our constituencies.

We have to represent that entire constituency. We have to make decisions on behalf of those we represent. These decisions that we arrive at will affect not only the people in Red Deer, Moncton and Vancouver but all Canadians.

Unemployment insurance is one of those issues that has generated many and varied opinions locally, regionally and nationally. The unemployment insurance issue has been well studied. It has been well reported.

The Hon. Member for Essex—Windsor (Mr. Langdon) implied that the Government is doing something sinister in keeping an impact study secret. That is not the case. In appearing before the committee the Minister informed

us that it would be released at the committee stage of the Bill. It is my understanding that that is normal parliamentary tradition and the normal time to release an impact study.

I would like to suggest that if the Hon. Member had bothered to read the letter he was waving around in front of us, he would have seen that the request for information on the study was exempted under Section 26 of the Access to Information Act. That section states that if a study is going to be released within a three-month period, then it is exempted from being released at the time of the request. I would suggest that if he read the letter he would know that there is nothing sinister about withholding it at this time.

All of us have heard representations from business and labour. Those who were here in the previous Parliament had a chance to study another report. Those of us who were working elsewhere listened to our co-workers, our neighbours and our friends. There were a great many suggestions and a great many ideas about what should be done to the unemployment insurance program. There is no one answer to this program that will address all the needs, wants and desires of Canadians.

This Bill does not address every concern. However, it is an important step toward improving the program by allowing for more skills training and other measures that will assist claimants to adapt successfully to changing labour market conditions.

In my conversations, I have been told many things about the existing program. There are those who say that what we have is no longer insurance. Others say: "Why should I pay? There is no way I can collect". There are others who look at the program, see people who abuse it and get mad. They consider those who would work, the lack of skills and training and say that it could be better. It will get better, and this Bill will help it.

We as Canadians are a caring and compassionate people. As a nation, we are willing to provide help to those with legitimate need. We also hate waste. We do not like others to take advantage of our generosity. This principle applies to many situations. It definitely applies to unemployment insurance.

I can think of no one who is not prepared to assist someone else who, through economic circumstances, loses their employment. We want to help those people get re-established and re-employed. However, most Canadians draw the line at supporting those who are uninterested in working or who use or abuse the system for their own convenience.

Unemployment insurance is not welfare. It should not be considered a wage subsidy. It should be a program to provide a temporary buffer and assistance to get back into the work force. We have a responsibility to make our unemployment insurance program as efficient and fair as possible. While maintaining the program's essential income support function, these amendments and changes reduce elements in the program that act as disincentives to work.

• (1740)

As the Minister of Employment and Immigration (Mrs. McDougall) said when she opened second reading debate, the small minority who simply choose not to work at various times should not be encouraged by a system paid for by all Canadians.

We also support provisions that increase penalties for those who quit their jobs without just cause or who fraudulently collect benefits. We want a system that will help those who genuinely need help, but we and the people who have to pay for the Bills that we approve do not want to support those who simply do not want to work.

These changes to the Unemployment Insurance Act form part of the Government's over-all Labour Force Development Strategy. That strategy was tabled in the House on April 11 by the Minister of Employment and Immigration. Bill C-21 should not be looked at in isolation, but looked at in conjunction with the Canadian Jobs Strategy which is designed to help individuals and groups adjust to change through a variety of options, including retraining.

The Canadian Jobs Strategy itself is a success story. As most Members know, it is based on three basic principles. The first is that help should go first to those who need it most. We as a nation have limited resources in spite of some of the statements we hear. It is essential that we put our resources to the most effective use by assisting those who can best benefit and those with the greatest need.

Second, programs and services should be used that best meet the needs. Third, decision making should be done at the local level.

The closer decision makers are to the user, the more effective the program is liable to be. Made–in–Ottawa solutions do not always meet the needs in Red Deer, Yellowknife, Moncton or any other region of Canada. Since the Canadian Jobs Strategy was introduced in September, 1985, 1.3 million people have benefited from the program. Its success is not because of the wisdom of Government or the wisdom of bureaucrats, it has succeeded because of the involvement of the providers and the users, the training and educational institutions, business and labour, some of the same groups that are going to make this program successful. These are the people who know where the needs are and they are in a far better position than we to effectively plan, implement and utilize the program.

Canadian business knows that it will need a well trained workforce as we prepare for the next century. Our workers are very much aware of the importance of skills and extra training in today's workforce. They know that the workplace is changing and they want to be prepared for those changes.

My own experience backs up the result of a Decima survey that was taken last year, where fully half of the workers polled indicated a willingness to reduce wage demands in return for additional training. The Canadian worker knows about technological and job changes, and wants to be ready. They do not want to be unemployed, they want the necessary skills to continue working and contributing.

There are some businesses investing in skill development, but far too many are not investing the money and training that we think they should. We in Canada have not developed a tradition of training. All too often, businesses and government have reacted to skill shortages after they become evident when, in effect, they should have been able to anticipate, prepare for them and avoid them.

All too often Canadians have left it to Government to devise and fund programs which have not met the needs of business and labour. But these programs were used simply because government money was available. We placed our priorities where the money was rather than where the skills were needed.

We have to stop trying to impose government solutions. We must let those who know what the needs are participate in the planning process. Local input is what has made the Canadian Jobs Strategy so successful and it will make this program successful.

A major objective of the new Labour Force Development Strategy is to allow business and labour groups more participation in skills upgrading for the labour force. This summer, six task forces set up by the Minister of Employment and Immigration will be writing discussion papers on various aspects of the Labour Force Development Strategy. The Canadian Labour Market Productivity Centre is organizing five symposia for this fall at which these discussion papers will be presented. A final report will be ready this November.

There is a role for Government in skills training, but that role is to work co–operatively with those in need. It is obvious that our current efforts have not been adequate to meet the demands of the economy. The skill shortages that we see across the country will get worse unless we take action.

As we move into a highly competitive service oriented economy, a grade 12 education will no longer be adequate. By the year 2000 almost one half of the jobs created will require more than five years of education and training beyond high school. Sixty per cent of our supply of workers for the year 2000 have already graduated and are out of school. Unless there is retraining on a large scale, Canadian employers in the year 2000 will be hard pressed to find properly trained people.

Even now we have a problem. Some 36 per cent of the members of the Canadian Manufacturers Association and 43 per cent of the Canadian Federation of Independent Business report that they now face shortages of qualified labour. Statistics Canada has reported that 14 per cent of all Canadian manufacturers are facing production problems due to a shortage of skilled labour.

Other members have talked about the fact that we lack a strong tradition or culture of training among Canadian business. We spend half of what is spent in the United States in training for an employee. I believe that the average Canadian worker and businessman knows what skills they need to be competitive. The private sector must become more involved. The Government's objective is to stimulate an additional private sector training effort of $1.5 billion per year by 1994. I am confident that

business will rise to this challenge. They will accept it and it will work.

Much has been said about where the money is coming from and whose money it is that funds the program. I submit that we should not differentiate between what comes from the worker and what comes from the Government. There is no such thing as government money. In the end, it all comes from the taxpayer. Every dollar that we spend comes out of their pocket. We owe it to them to make sure that we spend it as effectively as possible.

Taxpayers in my riding have been letting me know that they do not want to pay people not to work. They do not want to fund make-work projects, but they do want meaningful employment. They do want training that leads to useful employment, and most of them think they are more capable of determining what they need than some politician or bureaucrat. I am confident that Canadian business is prepared to meet the challenge of this Act and invest in private sector training.

The Government announced in the Budget papers that after January 1, next year, unemployment insurance will be funded solely by premiums paid by workers and employers. As a result, premiums will increase slightly, but to a level that is still below where they were two years ago. In a situation where the unemployment insurance fund goes into a deficit, the Government will still be there as a back-up.

When talking about incentives, we cannot afford to support people who only want 10 week jobs. Changes to entrance requirements and to the duration of benefits will encourage the unemployed to find work. In high employment areas where more jobs are available, unemployment insurance will be harder to get and will be available for a shorter period of time. That is as it should be.

We cannot afford not to help those who want to be trained and gain the skills they will need to find secure and long-term employment. Therefore, the Labour Force Development Strategy places a greater emphasis on providing assistance for retraining. Unemployment insurance recipients will find it more to their advantage to retrain themselves than to sit at home.

It has been said by some Members opposite that this program will force more people onto welfare. I submit that it will help people off welfare and into the workforce.

Since 1986, the federal and provincial Governments have undertaken joint initiatives to help social assistance recipients acquire the skills and work experience needed to become self-sufficient. These programs have had a success rate of better than 50 per cent. Three months after participating in the program, over half the participants are still working in the jobs they were trained for.

• (1750)

The Thomson Report presented to the Ontario Government by the Social Assistance Review Committee, supports this type of initiative and adds statistical proof that these types of programs do help social assistance recipients enter the mainstream labour-market. They are working and it has called for an expansion of them. This report adds proof to my feeling that Canadians do want to work. We as a group are productive people who want to work and to contribute.

The Government will be making an additional $50 million available out of the Canadian Jobs Strategy fund, not out of the unemployment insurance fund, for social assistance recipients to help them gain the skills that they need to improve their employment prospects and to find employment rather than remain on the social assistance rolls. Together with $50 million from the Canada Assistance Plan, we hope that the provinces will meet this dollar for dollar, making an additional $200 million available for this initiative.

This $50 million will come out of the Canadian Job Strategy budget, not the unemployment insurance fund. This Bill will not throw more people onto the welfare rolls. Rather, it should encourage a greater participation in the labour force, and thereby reduce unemployment.

Talking about youth, times are changing and so are employment patterns. Unskilled jobs are diminishing and the demand for highly skilled workers is going to rise dramatically in the years ahead. Young people will need to be better trained in the future. Students need to be encouraged to remain in school and gain the necessary skills to compete in the workforce of the 21st century.

Through the Labour Force Development Strategy, the Government proposes to quadruple funding to co-operative education, particularly at the secondary school level, to help reduce the dropout rate and unemployment rate of youth entering the labour market directly out of high school. The Government is also proposing a major new program for entry level training to help young people make the transition from school to work. Together, these two initiatives for co-operative education and entry level training will receive an additional $100 million.

At the opposite end of the workforce, we are also concerned with older workers. The Labour Force Development Strategy proposes to increase current services to displaced older workers by a further $100 million. In accordance with the Canadian Charter of Rights and Freedoms, unemployment insurance benefits will be extended to those 65 years of age and older. Seniors will now have the choice to stay in the workforce on the same terms as anyone else.

There has been among my constituents much discussion about this provision. As a result of it, we lose the provision that allows workers to receive a three-week lump sum payout at age 65. However, in order to meet the provisions of the Charter, those over 65 must be allowed access to unemployment insurance if they so choose, and the potential cost must come from somewhere. We cannot have it both ways.

In conclusion, the Bill is a positive step toward improving the unemployment insurance program. The overall cost is going to remain the same. Greater emphasis is being placed on more active measures to help the unemployed improve their job prospects through skills training, self-employment and relocation assistance. As well, special benefits like maternity, parental and sickness benefits are being expanded.

Canadians are productive people. They do not want subsidies for doing nothing. They do not want make-work projects. They want the opportunity to work and the skills needed to work effectively and contribute.

All of us want to help the unemployed. Contrary to the perception enunciated by those opposite, we are sympathetic, we are concerned, but the unemployed want jobs, not welfare, and the provisions of this Act will help them accomplish just that.

Mr. Joe McGuire (Egmont): Mr. Speaker, the introduction of Bill C-21 openly demonstrates the fact that Election '88 was the largest and most obvious act of political deception ever inflicted on Canadians. The regressive Conservative Party, its Leader and its Ministers told us repeatedly that Canada's unemployment insurance, regional development, farm and social programs were safe with them and were not incompatible with the Free Trade Agreement.

With the pre-Budget and Budget decisions, it is very obvious that Canadians were not being told the truth during the election campaign because unemployment insurance, regional development, farm, defence and social programs have borne the brunt of the Budget cuts. Government Members who bragged during the election campaign about what great financial managers they are, have shown themselves to be the greatest embezzlers in Canadian history.

Riding the wave of international prosperity, reaping unexpected revenue because of the booming economy, the Government squandered, wasted and dissipated those revenues to the point where even after the largest budget cuts and the largest tax increases in memory, they find themselves with a projected deficit of $30.5 billion. Instead of continued prosperity as promised under free trade, Canadians find themselves being hammered as never before with new taxes and new program cuts.

In the Atlantic provinces the feeling is that war has been declared upon them by their own Government and that the Canadian version of the scorched earth policy is being implemented. This is how Atlantic Canadians feel. Believe me, the case is not being overstated.

A few days ago the House voted on the Government's borrowing Bill. It gave itself permission to borrow almost $25 billion. Where is that $25 billion going to be spent? The Government has not told us, but I know where very much of the $25 billion is not going to be spent and that is in Atlantic Canada. Hundreds of millions of dollars are not going to be spent on our transportation system. VIA, as we know it in the Maritimes, will be decreased to the point where even the VIA bus from P.E.I. to Moncton will be cut. We in Prince Edward Island have not had passenger rail service for 20 years, but we thought we would at least be able to keep the bus connection to Moncton where we could transfer to the railway. Approximately 600 jobs will be lost and Islanders will be

left with no means of public transportation to the mainland.

This Government is not going to spend much of the $25 billion on agriculture. Since it was elected in November, the most truthful statement that the Government has made was contained in the Speech from the Throne where it was stated that farmers are costing the Treasury too much money. Henceforth, the Government began to slash agriculture programs with a ruthlessness never witnessed before in this country. The indications are that it will continue to do so.

The Government immediately broke the long-term dairy policy. It agreed with the United States and asked GATT to cap for 21 months any increases in input costs to dairy farmers in Canada. At the same time, GATT gave substantial increases to Great Britain and other GATT partners. Canada seems to be the only country that abides by the GATT rulings. Canada is the good boy in the GATT gang.

The Government then eliminated the interest subsidy under the Prairie Grain Advanced Payments for Crops Act. There will be minus $27 million in that program. Seven million dollars will not be spent in the skim milk subsidy. Six million dollars will not be spent on the commodity board loans program. Seven million dollars will not be spent on the dairy special export program. Nine million dollars less will be spent on new programs from the Farm Credit Corporation, and the Government will renegotiate the Crop Insurance Program with the provinces to save $200 million over the next two years. All these subsidies just happen to be included in Annex 785.4 of the Free Trade Agreement.

This Government is not going to spend much of the $25 billion on Established Programs Funding. It is going to cut $200 million out of that program in 1990 and 1991 alone. However, the biggest and cruelest cut of all is the cutting of $2.7 billion out of the budget for the Department of National Defence. The Government White Paper on Defence turned out to be a sham. Instead of rebuilding and refurbishing our defence capabilities, the Government has turned our military into the joke of the free world.

The cruelest cut of all came with closing of CFB Summarised and to a lesser extent, CFB Portage la Prairie. In the process, 3,000 jobs will be lost in Summerside which will raise the unemployment rate there to 36 per cent. This will leave the gulf region with no aerial reconnaissance, no airborne environmental and drug surveillance and a delay in the response of search and rescue operations. In addition, the Government has so mismanaged the fishery in Atlantic Canada that fish plant after fish plant has closed while foreign overfishing continues and even, it seems, is being encouraged to continue.

• (1800)

To top everything the Government, after hacking its way through every economic sector including tourism, and creating even higher levels of unemployment throughout Atlantic Canada, is now going to make it more difficult to qualify for unemployment insurance. This is an example of the new government mathematics. It states that less plus less equals more. The Government is going to cut $2.9 billion out of the unemployment commission moneys.

I would like to take a few minutes now to show how the new unemployment insurance changes will affect Prince Edward Island. First, the new changes will have a negative impact calculated by the Government to be 10.3 per cent. This can be compared to our sister Atlantic provinces where the negative impact will be only 4.6 per cent and to Canada as a whole where the negative impact will be 5.2 per cent. These are the Government's own figures. As you see, Mr. Speaker, Prince Edward Island will suffer twice the negative impact of the country as a whole and twice the negative impact of the other Atlantic provinces, and the Government calls this fair and equitable treatment.

I have three questions I want to address concerning unemployment insurance. They are, one, what role does UI play in the provincial economy of Prince Edward Island; two, what impact will the proposed UI changes have on Prince Edward Island; and three, what is position of P.E.I. on the proposed changes?

Today unemployment insurance is one of the most important programs in Atlantic Canada, and it is especially so in Prince Edward Island. In fact, in 1988, Prince Edward Islanders received more than $138 million in benefits, or $1,076 for every man, woman and child in the Province compared to $422 for Canada as a whole. Further, the UI program provides more money to the provincial economy than some of the industries in the province. For example, last year an average of 11,000 persons received UI benefits in P.E.I. out of an average labour force of 62,000, which is 18 per cent. In other words, approximately one out of five Islanders in the

labour force relied on UI benefits at some time during the year. This is due primarily to our seasonal economy.

Clearly the direct impact of this program is very far-reaching. There are also significant indirect impacts. Islanders spent their UI benefits as consumers which, in turn, creates spin-off employment and thus impacts, not only on those who receive benefits, but also on the retail trade and on the service sectors. That is why UI plays such a vital role in a seasonal resource-based economy such as P.E.I.

Allow me at this time, Mr. Speaker, to describe the economy of P.E.I. to you. There are 128,000 people living on Prince Edward Island, and natural resources are the backbone of our economy. We are blessed with good, arable land, so agriculture is one of our major industries. We are an island so we have access to fish stocks such as lobster, cod, scallops, herring, oysters and so on. The beauty of our island is another natural resource, one that attracts more than 700,000 visitors each year. These are our basic industries; land, fish, and natural beauty. The industries which utilize these resources are, by their very nature, seasonal. There are, of course, other industries in P.E.I., but a significant percentage of our labour force is dependent on these seasonal industries.

The UI program supports the needs of those employed in seasonal jobs while at the same time supporting the needs of private sector employers in the rural areas of our country.

Why is UI so important? It is because you cannot fish lobster or process fish during the winter. We have a slight problem with ice around Prince Edward Island during the winter. It is because potatoes cannot be grown during the winter and it is because our tourist resort areas become like ghost towns during the winter. That is why we require UI, in order to supplement the incomes of those Islanders who cannot find work as well as those who cannot find full-time work.

The proposal to increase the number of weeks worked to qualify for UI benefits is based on the erroneous assumption that there are more weeks of employment available and that people just do not want to work them.

P.E.I. has a very short tourist season. July and August are the high season tourist months with a shorter season in June and September. What are Islanders supposed to do to get the number of required weeks if their employer only operates 10 weeks a year? Does the federal Government expect those employers to stay open longer when there are no tourists and there is no income? We cannot ask our tourists to ignore the fact that they cannot swim in May or October. We cannot ask our potato farmers to harvest their crop in December. Our economy is a seasonal one.

The role UI plays in our provincial economy is one of tremendous importance. The proposed changes will significantly impact on Islanders who can least afford it. The question is, what is the real impact of the proposed UI changes? The impact can be described in one word, "devastating". We know that our province will be the one most affected by the proposed changes.

We have, with the data available, calculated some of the repercussions for P.E.I. Given the increase in the number of work weeks required to draw UI benefits, P.E.I. could lose as much as $18 million. A reduction in the length of benefits could mean a loss of another $6 million. The impact on provincial government programs such as welfare assistance has not been included in these estimates but they will add to the increase. In total, based on a conservative estimate, and I do not use that word in a pejorative sense here, P.E.I. could lose as much as $27 million in UI benefits alone which would result in very significant spin-off losses as well.

One of the arguments made in defence of the changes is that P.E.I. will lose benefits but gain additional dollars through the Labour Force Development Strategy. In order for this argument to apply, the federal Government would have to do two things; first, it would have to institute an extensive and comprehensive job creation program. There is no point in training people for jobs which do not exist unless they want to force people to move to central Canada. Second, it would have to negotiate extensively with provinces to ensure that the programs are responsive to the uniqueness of each region in this country.

The diversity of this country must be recognized in the Labour Force Development Strategy. The new strategy should not be solely driven by private sector training. The whole thrust of the Canadian Jobs Strategy is to involve the private sector in providing training. P.E.I. has a very small private sector, one which can only do so much training. How many times can you ask the same employer to train the unemployed for jobs that do not exist? It is not feasible to expect the limited private sector in our province to provide more meaningful and effective training for the unemployed, especially if they have to absorb a significant portion of the cost.

The federal proposal to change UI will substantially reduce benefits to Islanders but the program proposed to replace them will not substantially benefit Islanders unless the programs are sensitive to the provincial economy. The training programs must be geared towards a growth that will provide long-term jobs with a large number of private sector employers. Unfortunately that does not describe the current economy of P.E.I.

The final question to be addressed is the position of P.E.I. on the proposed UI changes. P.E.I. has a unique economy. The current UI program recognizes and complements that uniqueness. This country is made up of diverse regions. Indeed the success of the country is based on recognizing the strengths and weaknesses of each region. We rely on UI in our region. We sincerely wish that we did not have to do that. All provinces, especially P.E.I., would like to have a booming economy that creates full-time jobs. However, the reality is that we do not. Programs must recognize and deal with the reality of each province. Each province is unique in its own right. In fact, Canada is diversity. Therefore, all programs must be both receptive and responsive to the needs of all Canadians. The current UI program has been successful in respecting that criteria.

This is not to suggest that there are not some positive proposals in the Labour Force Development Strategy. The Maternal Parental Sickness Benefits Program will in fact benefit Canadians. The proposed arrangements will provide more generous income protection for those Canadians involved. Furthermore, providing benefits to those over the age of 65 corrects an inequity which existed within the UI system.

• (1810)

Permitting workers on sickness or maternity benefits during a labour dispute to receive benefits also eliminates an unfair situation for those workers. While there is some merit in some of the proposed UI changes, however, I must say clearly and unequivocably, P.E.I. does not support increasing the number of weeks required to draw benefits and decreasing the number of weeks those benefits can be collected.

There is another aspect of the Government's proposed UI program with which I strongly disagree, and that is the Government's decision to withdraw from the funding of the program. It would seem that the federal Government has a responsibility to Canadians from Vancouver to St. John's, Newfoundland. We cannot shirk that responsibility by suggesting that employers and employees should absorb the total cost of a program designed and administered by the federal Government.

I would also like to address another critical issue in our province, and that is the announcement in the federal Budget of the closure of the Canadian Forces Base at Summerside. Closure of this base would have a tremendous effect on Prince Edward Island and on the Summerside economy.

There are more than 1,300 direct jobs at stake, as well as 2,000 indirect jobs. This represents 4.4 per cent of employment in the province. Our unemployment rate could increase to 60 per cent or higher. This would be a most devastating blow to our province. If Ontario or Quebec were to lose the same percentage of jobs, it would represent over 200,000 jobs in those two provinces.

There would not be enough ink in the newspapers in Upper and Lower Canada to tell the people of the country how devastating this would be, and how they would force the Government to change its mind if any government was going to take 200,000 jobs out of the economy of Toronto or Montreal.

How would a federal Member from Ontario feel if that number of jobs were lost? How would their Premier feel?

People in Prince Edward Island are for just and equitable treatment. I urge this Government to reconsider its decision. Our economy cannot absorb such a tremendous increase in the number of unemployed. The

closure of CFB Summerside will further increase regional disparity. We will become more and more the poor cousins of Canada.

My request is simple and clear. Change the decision. Do not increase the number of weeks required to draw unemployment insurance. Do not reduce the number of weeks of benefits which can be drawn.

P.E.I. cannot accept closure of Canadian Forces Base in Summerside. Our economy in Prince County depends on the base for its survival. It contributes more to the economy of Prince County than the fishery. Our feelings run so deep on this issue that doubt is now being cast by our Premier on his support for the Meech Lake Accord.

In conclusion, Canada is a great country. We are admired throughout the world for our ability to respect diversity. We respect the uniqueness of our provinces. This principle forms a foundation of our country. Programs such as UI and defence spending respect that principle. Changing the number of weeks required to draw, and reducing the duration of benefits, as well as the closing of CFB Summerside violates that principle. We must not let that happen. The Government is sowing the wind, and they will reap the whirlwind.

Mr. Benno Friesen (Parliamentary Secretary to Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I listened with interest to the Member for Egmont (Mr. McGuire) as he spoke on unemployment insurance and the care that he has for his constituency in Prince Edward Island.

I commend him for doing his best to represent the needs of his constituents. I would urge him, however, to think again before making a speech like he did now. When he uses terms like scorched earth policy, it is the kind of language which works once, maybe twice, but after that not only does the language lose its effectiveness, but the Member who uses it loses effectiveness.

People watch to see what happens afterward. They look for a scorched earth policy and they find that after all it is not a scorched earth policy. Then they do a little bit of a double-take. They say: "Look, we heard this man say it".

I commend him for thinking of the variable needs of Canada, the regions. He said, and I think I quote him accurately, "the policy ought to reflect the regions of Canada". This is exactly what unemployment insurance does. It reflects the needs of the regions of Canada. There are variable unemployment rates across Canada. The Bill recognizes those various needs across Canada. The Member for Davenport (Mr. Caccia) was a Member of the Government when that whole concept was brought in. I am sure he voted for it, as a good Member of the Government at the time.

The whole idea of variable entry programs was brought in 10 or 12 years ago, based upon the varying needs of the regions of Canada and the employment needs of those regions. I would encourage the Member for Egmont to keep that in mind as he speaks.

I would point out to him at the same time that if he wants to do that, he should also listen to the party line as espoused by his party leaders on the subject, because his finance critic just three months ago tomorrow, to be exact—

An Hon. Member: What time?

Mr. Friesen: Well, I do not have the hour. I could get that for the Member. The Hon. Member for Etobicoke North (Mr. MacLaren) said: "The Government has few options"—relating to the debt—"if it doesn't take tough action such as cutting unemployment insurance benefits and the cost of social programs". That is what his own finance critic, his leader, said on the subject. I would think that if he believes in any kind of cohesiveness, in terms of his Party line, he would follow his finance critic on that subject.

The whole concept of unemployment insurance is now 49 years old. The Bill was first passed in 1940. If Members reflect on the conditions that existed in Canada in 1940, they will remember that we were just entering the war years. Unemployment was still very high. The country was still suffering from the plague of the Depression. There was need for the kind of a support system which would help those who were unemployed and found it very difficult to find work.

But unemployment insurance has changed radically over the ensuing 49 years. There have been a number of changes.

I ask Members to reflect on why it has changed. It is simply because the country has changed. Working conditions have changed. Those were the days when the unemployed which were affected by these conditions

were largely blue collar workers. They were usually unorganized and usually had no union leadership.

In the ensuing years, labour has become organized, thankfully. Not only do the labour unions work largely for the blue collar workers, but they also have trained economists on their staff, economists with M.BAs and so forth. The conditions have changed.

We have tripartite agreements and arrangements. Conditions have changed, maybe not the way we want them yet, but the circumstances are different. The unemployment insurance Bill is designed to be flexible enough to meet the changing conditions in Canada.

I ask Members to read a book like "Mega Trends", which was published a few years ago, and is simply a composite of magazine and newspaper articles. They are statements from opinion makers from around the world outlining what the mega trends are for the world, and therefore, for each of the economies in the world.

By and large, the message of that book is that the labour force, particularly in the western world but certainly in the other countries too, is changing. Conditions are changing. We have moved from an industrial society in the western world to an information society. There are entirely different kinds of working conditions. There are entirely different kinds of labour contracts.

An Hon. Member: Unemployment is still the same.

Mr. Friesen: Unemployment hurts just as much as it ever did before. It sure does. That is why we need the protection that unemployment insurance gives. Unemployment insurance is not the insurance people need the most. They need the opportunity to get a job. If the workforce does not change along with society it will not matter how much insurance a person has. If workers do not change to the needs of the workplace they will still be unemployed. We need changes in the Unemployment Insurance Act to enable workers to change to the circumstances that exist in our society.

• (1820)

I know that my conservative friends in the NDP want nothing to change because they are the most conservative people in this House. They want nothing to change. If something is entrenched, keep it that way, because we might lose something. There is no risk involved in that Party. The NDP do not want risk at all.

Mr. Caccia: What are you for?

Mr. Friesen: I support the ability to change. Does the Hon. Member for Davenport (Mr. Caccia) do that? The people on the other side want to keep things as they are. If it were up to these folks it would still be the same Bill we had in 1940 because as far as they are concerned things never change. The only thing that changes over there is their leadership. If Members opposite wonder why they were rejected last November, they should listen to what their Leader said when the Minister of Finance (Mr. Wilson) introduced his first economic plan for Canada. The Leader of the Opposition (Mr. Turner) said "This thing will lose us 50,000 to 100,000 jobs". People in Canada remembered that. They said, "Hey, we remember there was going to be gross unemployment because of the financial picture that the Finance Minister was planning for Canada". Instead the reverse happened and rather than lose 50,000 jobs we gained over one million in four years. Not bad. For this group to paint the Government as the enemy of the workers when we have created 1.4 million jobs for the people, they are not the ones to talk.

Mr. Volpe: You are not even up to recession levels.

Mr. Friesen: Not even up to recession levels? I will tell this wizard from—

Mr. Sobeski: That's why manufacturers cannot find people to work. Because they need training and that is what this Bill will do and you know it.

An Hon. Member: Come on.

Mr. Friesen: Some day I will get back into the debate. I think this is my show.

Some Hon. Members: Oh, oh!

Mr. Friesen: What this Bill does is provide a labour force development strategy for Canada.

Mr. Caccia: Right on. That's good.

Mr. Friesen: The Member for Davenport is happy now. That was music to his ears. He knows that the unemployed—the few that there are in Toronto—

An Hon. Member: What will it do for your unemployed constituents?

Mr. Friesen: It means jobs.

Mr. Caccia: Tell us how.

Mr. Friesen: If a worker is 45 or 50 years old and loses his job because of technological change in my riding, he is going to benefit from this Bill because he will be retrained and be able to get a job. He does not want to sit at home. He wants to work. As the Prime Minister (Mr. Mulroney) has often said, "The best social program is a job". That is what this program does.

Mr. Milliken: He is from *Alice in Wonderland*.

Mr. Friesen: At least I have the attention of the Opposition, Mr. Speaker.

Mrs. Maheu: Tell us—

Mr. Friesen: I did not hear what the Member said but I can tell her what the Hon. Member for Etobicoke North (Mr. MacLaren) said. Would you like to hear again what he said? He said, "the Government has few options if it does not take tough action, such as cutting unemployment insurance". I want the Members opposite to know that we are not talking about cutting the insurance. We are talking about making it possible to use those programs to give the unemployed more opportunities. We are not going to cut the insurance the way the Hon. Member for Etobicoke North said we should do it.

What we want to do is use that money in such a way that people can adjust to changing circumstances. The Members opposite think circumstances never change. They want things to stay as they always have. When you are in a leadership role, as this Government is, people recognize that circumstances change. We have technological change here in Canada. The sooner Members of the Opposition wake up to that, the better off they will be. They will start representing the workers as soon as they recognize that.

The Bill introduces a labour force development strategy. Workers who are unemployed can retrain themselves, use their talents and apply them in a new way in the workplace and get the jobs they want. Not only do workers have to adjust, but so do employers. Opposition Members may want to heckle me on some points but I think they will agree with me that in Canada employers need to get behind the whole concept of training and retraining employees. Canada lags behind the industrial countries in this case. It certainly lags behind the United States. It is time for our industrial leaders to think in terms of their employees and adapting them to changing circumstances.

The private sector now has to assume a leadership role in the training of workers as it has done in other industrialized nations. We have to do this in Canada. We want to make training in skills an every day part of our workplace so that the worker on the job knows that there is a future for him, that he can adapt and that the employer has his best interests at heart.

Mr. Fisher: That would be something new.

Mr. Friesen: The Hon. Member from Saskatchewan who thinks in terms of class conflict constantly because that is the mentality of his Party—it is them or us—cannot ever envisage there might be a change in the mindset of the employer. To the Member it is still the old sweatshop bosses of the industrial revolution days. But there is a change in the workplace, Mr. Speaker. There are employers who have the best interests of the employees at heart. If the Member wants to carry on with his old theories of class conflict, let him do that. But the worker will suffer if that is case. The employer will manage but the worker will suffer.

The Government is proposing to increase the resources available for training under Section 26 of the Act and the new Section 26(1) of the Unemployment Insurance Act. The primary tool of the program will total $800 million for the retraining of employees.

Mr. Caccia: Over how many years? Tell us.

Mr. Friesen: And it will provide income support. How many unemployed are there? How much does it need? The Bill is revised now to meet the needs of the unemployed, don't you think it will be in the future, Mr. Speaker?

We are proposing that UI recipients with vital business plans can capitalize on their ingenuity by taking benefits to help defray the costs of start up in a business.

Mr. Caccia: Reducing the benefits.

Mr. Friesen: The Member for Davenport says reducing the benefits. That is what his friend from Egmont said too. If the Member reads the legislation he will know that is not true.

Mr. Volpe: What do you mean?

Mr. Friesen: The first requirement is to be accurate. It is not reducing the benefits, it is giving the employee, the worker, the unemployed some flexibility and some credit. Maybe he has an idea the worker wants to embark upon. It is not necessarily the employer who has all the good ideas. A worker maybe an entrepreneur who wants to start up his own business. Doesn't the Member think a former employee who is now unemployed is capable of changing and adapting to society? Do Hon. Members not think that he has any good ideas? Give him some credit. This will help people to start up businesses.

• (1830)

Mr. Caccia: He needs an income, that is what he needs.

Mr. Friesen: In some cases it will help them to relocate to places where there are better job prospects.

The man from Davenport is sitting comfortably in a Toronto region with an unemployment rate of about 4 per cent. He can talk, but if he were to come to some of the other regions he would not be quite so glib. The unemployment rate has dropped in some areas from 17 per cent to 13 per cent. In British Columbia it has dropped 14 per cent to 11 per cent or recently even 9 per cent. I would hope that the Hon. Member for Davenport would see that as a success in the program. He can sit on his smug employment figures for Toronto, but give the rest of the country a chance and let the people capitalize on the variables that exist in the new legislation.

We want to adjust the Act to reflect the realities of today's workplace. It will reflect the realities of the Charter. I do not have to, but for the benefit of Hon. Members I will list some of the changes.

Mrs. Maheu: Tell me how it will affect immigrant women.

Mr. Friesen: There will be 15 weeks of maternity benefits available during the period surrounding the birth of a child, and 10 weeks of parental benefits will be available to natural and adoptive parents for either mother or father or shared between them.

Mrs. Marleau: What about—

Mr. Friesen: Now I hear the Member from Sudbury, I believe it is. Is it Sudbury?

Mrs. Marleau: Could be.

Mr. Friesen: Oh, close enough. She has something to say. I am only saying that we are trying to update the legislation to meet the needs of the Charter. Does the Hon. Member believe in that kind of equality, or does she want to heckle me on that too?

Mrs. Maheu: What about equality for immigrant women?

Mr. Friesen: Oh, she accepts equality. That is terrific. They are being enlightened and have now come to the equality part of the Charter. That is comforting to know.

There is another variable involved in the legislation, and that has to do with other changing needs. There are people across Canada who are saying that if there are areas of Canada with low unemployment, why should people have the privilege of quitting a job and qualifying within 10 weeks? They are saying that they thought this was an insurance program for times of calamity.

An hour ago I heard the Hon. Member for Essex—Windsor say that in areas like the Fraser Valley it used to be that people could enter the program at 10 weeks, and now there is nothing. That is not even true. There is something. It is longer than 10 weeks, but they can enter. It is not that there is nothing. This man from Essex—Windsor aspires to leadership, by the way, but he does not even quote the provisions of the Act properly or accurately.

Mrs. Marleau: Brainwashed.

Mr. Friesen: Yes, he has been brainwashed. Is it right that if there is an area with high employment, where people are begging for workers, that on the spur of the moment a person should be able to quit a job and draw unemployment insurance? Why should people be able to do that? It is supposed to be calamity insurance, I thought.

It is true that in areas of high employment the people will have to work longer to get benefits. Are Hon. Members saying that it should not that way? Do members of the Liberal Party say that it should not be that way? I would like to hear from them. If there is good employment in the area, it seems to me that the people should have to work longer before they draw unemployment insurance benefits.

I note that you say my time is up, Mr. Speaker. I know that will disappoint Members opposite. I want to assure them that Canadians who deserve support have support under this legislation. It exists and will continue to exist. The unemployed of Canada can count on it, and I know

they will count on the kind of support this program gives to them.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, we just heard from the Hon. Member for Surrey—White Rock (Mr. Friesen) a glib, shallow and incoherent intervention. He supports this Bill because it is change for the sake of change. He is asking the unemployed of his riding to read the speeches of the Prime Minister (Mr. Mulroney) to find comfort when they are unemployed and run out of benefits. He is an embarrassment to his own Party and to this own colleagues, coming as he does from an area of high unemployment.

Earlier, I was surprised by the intervention of the Hon. Member for Don Valley West (Mr. Bosley) who spoke with his fat cat view of the world. The Hon. Member for Don Valley West and the Hon. Member for Surrey—White Rock, I am sure, share the same basic philosophy. They believe in the market-place, and the Hon. Member for Don Valley West made a speech underlining the importance of the market-place.

When it comes to the unemployed, when it comes to the little people, when it comes to those who cannot defend themselves in the market-place, he believes in the importance of the market-place. However, when it comes to large corporations, when it comes to giving subsidies to large oil and gas companies, when it comes to giving support to megaprojects, all of a sudden there is a conversion; then he believes in subsidies and he no longer believes in the market-place.

How can one be consistent, convincing and politically in line with the thinking of Canadians with such a contradiction in terms? How can one be convincing in the eyes of one's constituents by speaking such profound, basic nonsense? The market-place has to work for the little people but, my gosh, they believe in subsidies when it comes to the corporate world.

The Hon. Member for Surrey—White Rock and the Hon. Member for Don Valley West will draw unemployment insurance after the next election. They will get a taste of it when their turn will come. I am sure that the former Member for Prince Albert, Mr. Diefenbaker, will be turning in his grave with rage if he heard the speeches made by those two Progressive Conservative Members. He was the great defender of the small people, of the weak in society. He would turn in his grave if he heard that kind of nonsense.

What is Bill C-21 all about? It is not a question of the deficit. That is a smoke-screen. It is not a question of believing, as we have been accused of, in throwing money to the unemployed in order to solve the question of unemployment. It seems to me that the issue is the integrity of a key social program which has served Canada very well over the last 50 years.

Why do we on this side say that? We are the architects of that social program. It is our product. We made it better over the years. We see the program as being intended as a bridge for people who are between jobs, people who have no control over the vagaries of the market-place, that great market-place in which the Hon. Member for Don Valley West believes so strongly. People do not have control of that and therefore can lose employment and do not know when they will find other employment.

Second, we believe that the program stabilizes the population and provides stability. It prevents Canadians from moving and eventually living in 10 or 11 urban centres. Therefore, it is a very important social role.

• (1840)

Third, it reduces the burden on the provincial treasurers because it takes on responsibility for the unemployed rather than saying as does the Bill: "You take over this burden. Once you run out of your time, you go to the provincial social and family services and ask them to help you".

Fourth, we believe that it facilitates labour market requirements. It would take a lengthy intervention to go into details, but it is obvious that a good unemployment insurance scheme provides for a number of services and economic aids at the moment when needed for people who move from industry to industry, or sometimes even from region to region. We believe it is better to bring the jobs to the people than have the people move to the jobs.

Finally, it provides economic shock absorbers to certain segments in the workforce. For instance, the older workers on which my colleague the Hon. Member for York South—Weston (Mr. Nunziata) spoke so eloquently last night. It is a very important economic shock absorber for the older worker. Therefore, we would want to ensure that an older worker who becomes unemployed is not forced to turn to public assistance unduly

and too soon, but rather has the dignity of economic support through unemployment insurance until his or her employment situation is hopefully resolved.

Those are the five central pillars of ideology that have so far driven us in the evolution and the development of the unemployment insurance system, in which we believe profoundly. This is why we are here fighting against this measure of closure and the spirit of the Bill itself.

[*Translation*]

Mr. Speaker, I read with great interest a folder prepared in cooperation with the *Regroupement de chômeurs et* chômeuses *du Québec* entitled *Solidarité populaire Québec* and sub-titled, "Unemployment Insurance: $1.3 billion less, 200,000 beneficiaries cut!"

I found some examples on page 3. There is an example that I would like to bring to your attention because it is so typical, it is so well prepared, it describes a kind of working woman that can be found throughout Canada.

It says:

> After working for 25 years without interruption in a Montreal candy factory, Christine, 55 years old, earns $333 gross a week. She is no longer able to meet the increased rate of production that her boss requires.

That is very important!

> She quits her job. The Commission rules that she does not have a valid reason for quitting her job.

Now, under the present plan, Christine can receive a 6-week penalty and after 6 weeks, 44 weeks of benefits at the normal rate of 60 per cent of her salary.

But after the change with the coming into force of Bill C-21, Christine will have a 12-week penalty and during that time, Christine will not even be entitled to welfare; then she will have 37 weeks of benefits at a reduced rate of 50 per cent of her salary.

I ask you, Mr. Speaker, if that is social progress, if that is what the Conservative Party which calls itself Progressive has in mind for the Canadian people? I ask you that, Mr. Speaker!

[*English*]

At this point I would like to draw attention, very slowly, but it is necessary, to what will happen to people who become unemployed from British Columbia to Atlantic Canada, for the benefit of those back-benchers of the Tory Party who do not seem to know what will happen when this legislation comes into effect, judging from the speeches that have been made, some of their interventions, and some of their questions.

Starting with British Columbia, in the Kootenays under the present system a worker who becomes unemployed could receive benefits for 42 weeks. When Bill C-21 comes into effect, it will become 34 weeks. In the Kelowna region, the drop will be from 42 weeks at the present time to 33 weeks; in Kamloops from 42 weeks to 37 weeks.

To those Members who come from the Prairies, it is interesting to note that in southern Manitoba under the present system the unemployed worker receives 26 weeks of benefits, and that will drop to 21 weeks. In southern Saskatchewan it will drop from 26 weeks to 21 weeks. In Yorkton and Prince Albert it will drop from 32 weeks to 27 weeks. In the northern part of the prairie provinces it will drop from 42 weeks to 34 weeks.

Mr. Sobeski: What is it for Davenport?

Mr. Caccia: In the Liberal Party, we tend to embrace the whole country. We care for the unemployed no matter where they are. An unemployed person in the Yukon is as of much importance to us as if that person were in our own riding. We are responsible to everybody. That is our mandate.

In the remainder of Manitoba, Saskatchewan, and Alberta the drop is 8 weeks, from 42 weeks to 34 weeks. In eastern Ontario the drop is from 22 weeks to 17 weeks, that is one month and one week less. In Belleville and Peterborough the drop is from 28 weeks to 21 weeks. In Sudbury it is from 29 weeks to 24 weeks; northwestern Ontario, from 28 weeks to 21 weeks; Windsor, from 22 weeks to 17 weeks; and Sarnia, from 25 weeks to 19 weeks.

This is where the unemployment is. This is where we have to concentrate our attention. These people do not

have control of the economy of their own region. When they become unemployed they cannot go off to the next employer across the street, because there are not that many employers.

Let us deal with Quebec.

[*Translation*]

—in Trois-Rivières, it will go from 40 weeks now to 33; in the Eastern Townships, from 28 to 24; in the Gaspé, from 42 to 36; in northern Québec, from 42 to 34—

[*English*]

There are also some pretty drastic drops in Newfoundland. In the Avalon Peninsula the drop is from 42 weeks to 33 weeks. I ask myself, Mr. Speaker, and I am sure you do the same: How can the unemployed men and women in Avalon seek alternative employment in that part of the world?

This is where the greatness of the system comes into play. It provides economic stability and economic insurance, unless one wants to go to Toronto. Perhaps the plan of the Progressive Conservative Government is that all Canadians should live in 11 or 12 cities.

In Prince Edward Island it goes from 42 weeks to 33 weeks. In Halifax it is from 28 weeks to 21 weeks. I am selectively reading, Mr. Speaker. If I were to read every line my time would be gone, and you would not want to miss the rest of my speech.

In Saint John, New Brunswick it goes from 38 weeks to 30 weeks; in Fredericton, from 36 weeks to 30; Madawaska—Restigouche, from 42 weeks to 36 weeks. This is a sketch across the nation of what this measure will do.

I wonder what are the feelings and what goes through the minds of Members such as the Members from Abitibi, Mercier, Annapolis Valley—Hants, South Shore, Témiscamingue, Kamouraska—Rivière-du-Loup, Manicouagan, the Gaspé, Pontiac, Peace River, Red Deer, Charlesbourg, Lévis, Richmond—Wolfe, Trois-Rivières, Cumberland—Colchester, Timiskaming, Matapédia—Matane, Beauce, and Bonaventure.

• (1850)

Mr. Sobeski: Dispense.

Mr. Caccia: Yes, it hurts. You would like to have it dispensed with.

What goes through the minds of the Members from Brome—Missisquoi, Fundy—Royal, Jonquiere, Chicoutimi, Parry Sound—Muskoka, Swift Current—Maple Creek—Assiniboia, and Crowfoot, just to mention a few Tory ridings? They have not been very vocal in this debate. Actually, they have been strangely silent. I wonder why. Perhaps I am naive.

Perhaps Bill C-21 does not leave much to write home about. That is why they have not been so vocal in this debate. That is why this Bill is coming to a vote tonight in a hurry, fast, because we would not want to have trouble in the back benches of the Progressive Conservative Party. We want to prevent that. When the penny finally drops, when they finally catch up with what is written in Bill C-21, then perhaps they will wake up. However, then it will be tomorrow. It will be too late. That is why there has been such silence.

While the defence budget under the Tories is going up this year, and while subsidies to fossil fuel megaprojects are going up and being maintained to the tune of billions of dollars as a policy of the Government, the Progressive Conservative Government attacks the little people. That is the bottom line of this Bill. In the process it is making a sham of a fine key social program which has served several generations of Canadians so well.

My colleague from Egmont who spoke earlier reminded us that there is not only that but that the Tories have decided also that there is no room for the public sector any longer in the unemployment insurance program. When this Bill comes into effect the Government of Canada will drop its participation in this fund. That is really a sham, a disgrace. It is backward.

The country has been served very well by tripartite forms of government. Unemployment insurance has made progress over the decades because the Government, on behalf of the public, has participated in it with business and labour. Only the Government can speak for those who are not organized. Only the Government can speak for those who are not in business. Thus the tripartite formula is a good one. However, now it will be closed down. This is the end of it. It will be run by two parties—labour and business.

Guess who will run it eventually? I will leave it to you, Mr. Speaker, to guess and to tell us who in the end will run the unemployment insurance program. It does not take a genius to imagine who will do that once it is left to business. Therefore the future of this scheme is doomed

to become weaker and weaker. It will not serve the little people who need it and use it and who have so far benefited from it.

I will conclude on this remark. It is quite revealing that a Conservative Premier in the country—not a Liberal but a Conservative from Nova Scotia—was quoted as saying on Bill C-21: "This is of grave concern to me because that means there is a transfer of funding for these people from the unemployment insurance books to our social service books". Those are the words of Mr. Buchanan, not a wide-eyed radical. This was not a Liberal Premier but a Tory Premier in the Province of Nova Scotia. That is the most severe indictment of this measure that could ever be expected.

Some Hon. Members: Hear, hear!

Mr. Murray W. Dorin (Edmonton Northwest): Mr. Speaker, I want to take this opportunity in tonight's debate to address some of the issues before us. I must say that I really was not looking to speak in this particular debate on unemployment insurance, but I am prompted by some of the remarks of Members of the opposition Parties, including the one who just spoke, to do so.

I think their remarks really demonstrate how they are caught in the trap of being prisoners of their own rhetoric. They are hostages of the past. They refuse to learn from the mistakes that they have made and fail to recognize the changes that have been taking place in the labour force in Canada.

I would first like to mention a couple of things prompted by the speech we just heard a moment ago by the Hon. Member for Davenport (Mr. Caccia). He said that the Government was maintaining support for energy projects while refusing support for unemployment insurance. I will take the remark as it was stated without debating it, for a moment. We see the viewpoint of someone who for some reason or another would prefer to have people receive unemployment insurance than work in a productive capacity.

I know he has concerns about energy megaprojects and some of the environmental considerations connected thereto. However, I want to tell him that while I recognize those concerns I would certainly have to think that supporting projects that employ people in a positive way, a way in which they can contribute to the economy, has to be of more value than simply paying them not to work. That is what the reforms of this program are all about.

I also want to take a bit of a look at the past because he raised these issues in this way and mention at the start just a few of the things that that former Government did. I am not sure if he was a part of it then, but a look at history is always important.

The unemployment insurance program was created in 1940. One would think that any program created by government from time to time should be reviewed to see whether or not it is meeting the current conditions. In 1971 there was such a review. It was conducted by the Government under the Prime Minister of the day, Mr. Trudeau. His Government overhauled it. When it was changed the most noticeable change we could see was that the costs were doubled. It went from a cost of $900 million per year to $1.8 billion one year later in spite of favourable economic conditions. Presumably, then, this was not something that one would have desired, that is to say, not necessarily the question of the cost but the fact that more people were seeking unemployment insurance. It was becoming something which was seen as an opportunity for income as opposed to working and seeking productive employment.

In 1974 the Liberals decided to make some amendments. I think the changes they made then demonstrate the hypocrisy of what we heard just a moment ago. After being re-elected in 1974 the Liberals decided it was time for belt tightening and introduced three major Bills to amend the Unemployment Insurance Act. The purpose of these measures was one only—to save money.

Bill C-79, which was introduced at that time, took away the right of workers 65 and older to participate in the unemployment insurance program. It reduced the special benefit payment for claimants with dependants. the Bill before us today we are returning the right to persons over 65 years of age to participate in the unemployment insurance scheme. We are reversing a change that was made in 1974 by the government of the day, supported by the Party of the Member who just

spoke, which took away the right of workers over 65 to participate in the system, as a cost-saving measure.

• (1900)

Bill C-27 increased the number of weeks of work needed to collect benefits from eight to between ten and fourteen, depending on the region. It was obviously recognized that there were differences in the regions of this country and therefore a change was made to save money, but done in a way that it affected the regions differently.

Finally, Bill C-14 reduced the maximum amount of benefits from 66.6 per cent to 60 per cent of wages earned, and penalized repeaters who were mostly seasonal workers.

When we look back at those facts, it is difficult to listen to some of the rhetoric we heard a moment ago with any seriousness at all. Either they have had a mass transformation or they simply adopted what has become the habit of defending everything, to refuse any change, refuse to seek any change and propose no solution.

I want to return to why I believe this Bill should be supported. We do not necessarily gain by looking back 15 years. Rather, we want to look to the future and decide whether what we are trying to do is consistent with society of today and the society we expect in the future.

This Bill is worth supporting primarily for two reasons. First, it is an important step in making the unemployment insurance system responsive and efficient. I believe the changes make it a better program for all of the country, because it gives recognition to the changing nature of our economy.

As Members know, the proposed amendments and the proposed Labour Force Development Strategy are designed to address skills training and employment. The Unemployment Insurance Act amendments are a part of a series of changes in an attempt to make our employment programming more effective. By including the private educational sector and individual employees, the federal Government is making a concerted effort to change the direction of unemployment insurance from an attitude of the Government looking after one's interest to an attitude whereby the Government and industry will help you to get on your feet again soon.

Mr. Fisher: The Government is not doing it any more. They are paying for it themselves.

Mr. Dorin: The Member says the Government is not doing it any more because they are paying for it themselves. We heard earlier from a Member of the New Democratic Party who suggested that because the Government was restructuring the way the program would be financed—

Mr. Fisher: After January, 1990 funding will come out of the workers' pockets.

Mr. Dorin: It was restructured in the way the program would be financed and it will be financed essentially from the premiums. There will not be contributions from the Consolidated Revenue Fund.

Mr. Fisher: That is right.

Mr. Dorin: The Member states that, and it is true. What that seems to imply is that somehow those contributions were coming from somewhere else. It is a game typical of Members in that Party who somehow think we can have more and more and nobody has to pay. They think there is someone else who is paying the bill. The fact is that the unemployment insurance program is either going to be funded by premiums or by income tax or some other tax. If it is funded by income tax, whether the pay cheque deduction at the end of the month is on the line marked unemployment insurance, or the line called Canada Pension Plan, or the line that says income, the person receiving the cheque—

Mr. Fisher: Unemployment insurance is for income support, not for training.

Mr. Dorin: For the person receiving the pay cheque, it does not really make a great difference whether the deduction comes under the fine print of unemployment insurance, CPP or income tax. I suggest that it does not make a difference.

Mr. Fisher: You have never been unemployed, then. I guess you have never been unemployed.

Mr. Dorin: We are not talking about the unemployed.

Mr. Fisher: That is precisely who we are talking about.

Mr. Dorin: The people who are paying for the program are not the unemployed. The unemployed are receiving the benefit. The people who are paying for the program

are the employed, the people who are working, earning wages, paying taxes and paying UI premiums.

We can talk all we want, the fact is that a change to paying it from the premiums rather than it simply being taken from the income tax that is deducted from the cheque will give employees an opportunity to see what the program is costing them. It may help them decide whether the program is giving them the value for their money.

I cannot believe that some people would suggest that the money comes from somewhere else. It comes from the same people. There is only one group of taxpayers in this country, and they are either going to pay it in one form or another. I reject the suggestion that changing the system so that premiums will pay the cost of the program will have an adverse impact upon it. The alternative would be to raise income tax or some other tax that Canadians will have to pay in any event.

Mr. Fisher: Maybe corporate tax. How would that be?

Mr. Dorin: The corporate tax is being raised because the corporate premium is being raised. If you want to talk about getting it from the corporations, the corporations will be paying it through the premiums.

It is a sharing of cost by the corporate sector and the employees for a benefit to be paid to people who find themselves out of work for one reason or another.

Let me return to the question of education and training. While we all recognize that in Canada there is a significantly well trained labour force, probably the second best trained labour force in the world, we also realize that other countries are increasing their skill levels, increasing their productivity and their competitiveness. It is important for us to respond.

One way to respond is to give people whose skills may no longer apply to today's market an opportunity to become productive again. Surely, using the unemployment insurance program to do that, rather than simply giving them funds to look for jobs that no longer exist, has to be a step in the right direction.

The day after the Labour Force Development Strategy was discussed on national television, I was contacted by an institution in Edmonton. They were ready to start training more workers immediately, if the Government was willing to help. I know they are hoping for a sound outcome to this debate and the consultations this summer.

The reason for my support of this Bill is based on a simple premise. That is, Canadians want to work. I am convinced that if we offer them the training and upgrading or the financing to go to work, they will take it.

Ms. Black: What about jobs?

Mr. Dorin: For jobs that will be available in new ways because we know that the world is changing. The Member can talk about trying to keep people employed in jobs that no longer exist.

I grew up in a small town. Every small town had a railway station, a bakery, a butcher shop, livery stable and a whole range of businesses that no longer exist today. We will never go back to those days. We will not be able to remain where we are. People have jobs today, jobs that will not exist one year, five years or ten years from now. Those jobs will no longer exist. We cannot try to maintain those jobs in a changing world and the man for the products and services they produce is no longer there. What we have to try to do is to find new jobs for those people and ensure that they are adequately trained to fill them. Five million Canadians a year change jobs. So job change is not the issue. Neither is trying to hold onto jobs that are no longer relevant to today's society. Surely what we want to do is train people for the society of the future.

• (1910)

I want to make a few comments about the capitalization and lump sum payments and how they reflect a commitment to change. Really these are an important statement for individual entrepreneurship. There can really be only three classes where workers go on unemployment insurance. Either they are unemployed for reasons beyond their control, they are temporarily out of the workforce for family reasons, or they have chosen not to work.

In the first scenario, when the person is unemployed for reasons of technology or economics, the proposed changes are improvements. Currently the rationale of the UI program is simply that you will continue to receive benefits until you find another job for which you are qualified, or until you go on another form of social assistance. This is not an exceptionally efficient use of finances, as I said earlier. It is a waste of the workers' time and talents, especially since they may be in a situation where there is really no hope of finding the

kind of jobs that they have been doing in the past. By encouraging the person to get additional education or start a new business venture, we are making an unemployed worker into a better and more productive one.

The second scenario, where employees leave for family reasons, is also being improved with these amendments. Expanded maternity leave and a recognition that adoptive parents as well need time to adjust to the additional person in their lives will make for a more responsive program. With women an increasingly important part of the workforce, these revisions help ensure fairness in the system. The same holds true for older workers who do not want to retire at age 65. By extending benefits, the Government is making the system fairer for those older workers who want to continue in the workforce. That is an important measure because while in the past 20 years we have seen high levels of unemployment, these are in large measure the result of the baby boom after the Second World War with those people coming into the workforce.

In the next 10, 15, 20 years the reverse is going to be true. As these people grow older and begin to reach retirement age, we do not have the numbers coming into the workforce. Therefore, while the problem of the 1970s and the 1980s was one of high unemployment, the problem of the 1990s and the years beyond, in my view, is going to be one of shortage of skilled workers. Therefore, I think it is quite appropriate that whereas in the past we were encouraging people aged 65 or even younger to retire from the workforce, for those who wish to continue we should we give them every opportunity to do so.

I would like to make mention of the people in the third category, those people who choose not to work. There is also a group of amendments and increased penalties for those who abuse the UI system. These are also an integral part of an efficient and fair approach. They make it clear that the UI system is for workers and not for conscientious objectors in the workforce.

I want to talk about fairness in the program. I have a great many constituents who come to see me with various complaints. These amendments move to solve some of the problems, but unfortunately not all of them. For example, I suppose that under the current system, like the old one, it will still probably take several weeks for the contributor to receive the benefits to which he or she is legitimately entitled. That it can take months to receive a cheque strikes most of my constituents as unfair, especially since they are often receiving benefits for which perhaps they have paid over many months or years in the past. I have also heard from workers who could not collect benefits, and I am pleased to see that that issue is being addressed. I have also heard from people in the taxi industry and in the Armed Forces who currently do not believe the system is fair because they pay premiums and do not receive benefits. At some future time I would like to see that addressed.

On a positive note, the current amendments include a series of provisions to address current changes in the labour force, current factors of regional differences in the country. There is really no reason why we should offer the same level of benefits in an area where they have virtually full employment as we offer to an area in which there is less opportunity to find jobs. We know that in some areas of the country people can find work if they wish to. Again, this introduces an element of fairness.

I could speak longer on this topic, Mr. Speaker. I wish I had the opportunity. Maybe I will get that later tonight, but in the meantime I thank you for the time allotted to me and I will complete my remarks another day.

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, I rise today to speak against the proposed changes to the Unemployment Insurance Act. I am really saddened by these changes for I believe that these changes strike at the very heart of some basic social tenets in Canada.

Canadians have clearly indicated that the principles of social justice are important to them. Yet somehow the Conservative Government has decided to turn its back on these principles. Canadians have worked very hard to develop a compassionate and dignified social system. We know the worth of a good job. We know the dignity of being able to provide for our families. We are horrified by the images of the poor and the homeless in Canada. We are horrified by the images of people lining up at food banks in our society. Over the past decades, we have made a conscious and a committed decision to ensure an economically viable means of support for all Canadians.

There are times when a person suddenly loses his or her job, and it can be for a variety of reasons. It can be for a simple reason, such as incompatibility with the workplace. It can be for a very complex reason, such as the shutdown of a factory in Ontario or the shutting down of fish processing plants in my province of British Columbia. It can be for reasons that are more repugnant than these. It can be because an employee must quit her job because she has been sexually harassed by her employer. That is the reality of unemployment today in Canada. It is demeaning and it is debilitating. Ask any one who has been unemployed. It attacks your self-worth, it traumatizes your family, it makes you unable to provide for your family. That is the reality of unemployment today.

Now, this Government has decided to attack unemployed Canadians. This Government knows what the face of unemployment is in Canada today. It is young people, it is women and it is visible minorities.

My question is, why is it always these groups that always get the raw end of the deal from this Government? Why is it always the disadvantaged who pay the price? In my riding of New Westminster—Burnaby these changes will have a big impact on the health of my community. Many of the jobs in my riding are dependent on the resource sector. It is important to cushion the lives of these workers during the boom and bust cycles. Right now people work 10 weeks in order to receive unemployment benefits. That is not a lot of time. It is in fact often difficult to accumulate much money during that working time. For those who work for minimum wage, you can be assured that little, if any, money has been put aside. If this person happens to lose his or her job, there is at least at this time the safety net provided by unemployment insurance benefits.

The benefit money is well used. With benefits many families are only able to cover the basics of every day life. Their discretionary income is little, it is slight, and people depend on these benefits to provide food, clothing and transportation for their families. The benefits must also cover the cost of their housing. As you know, the cost of housing is very high in the lower mainland of British Columbia where I come from. These changes are going to impact very heavily on British Columbia where the unemployment rate in April ranged from 9.2 per cent in the lower mainland to an astonishing 15.4 per cent in Kamloops. There never have been enough jobs to go around.

I have some disturbing examples of the impact that the changes in qualification periods will have on the people in my riding. Under the old system, if someone worked 10 weeks they would be entitled to 32 weeks of unemployment insurance benefits. For those people who are fired after this Bill comes into effect with only 10 weeks of work, they have my heartfelt sympathy because they will receive nothing. Under the old system, those living in my riding and working 15 weeks could receive 37 weeks of assistance. Those people will now have nothing. Only those people who can receive 20 weeks of employment will get any scrap of benefit, but that benefit will be greatly reduced. Instead of receiving 42 weeks of insurance benefits, they will only get 31 weeks of benefits.

• (1920)

These are frightening statistics, Mr. Speaker. They are all the more frightening because unemployment is a plague which does hit the disadvantaged hardest, primarily women and younger people.

An Hon. Member: Are we getting to maternity benefits now?

Ms. Black: Yes, I will. It is difficult for me to observe the Minister's new found commitment to retraining. It does, I suppose, make good headlines and give a capsule of hope to some unemployed Canadians, but let's look beyond the headlines and the catch phrases and look into the reality of these retraining proposals.

Canada does need a strong commitment to retraining. We need to remove women from the pink ghetto jobs. We need to give young people the opportunity to learn a skill, and we should offer hope to those who want to pursue non-traditional occupations. We must prepare ourselves for the changes that are brought about by technological change. Canada must make a commitment to a viable and productive retraining program.

Instead, what has the Government pieced together? It has made a commitment to retraining which is based on a suspect system of funding. It has decided to force the jobless to pay for those who want to upgrade. The Minister will shift $800 million from the UI fund in order to fund retraining. This money should not be coming from the jobless. This is a group which faces many battles already; they have few savings and sometimes have low

literacy skills, and we are telling them to fund those who wish to upgrade.

An Hon. Member: You want to keep them at home rather than send them to school.

Ms. Black: This is unpalatable. What is to prevent a large corporation from using these funds to pay for upgrading programs for their middle and upper-level employees? I have seen no guarantees in this legislation that would prevent this. There are no guarantees. How will we go about retraining all those displaced by the free trade deal? We need a cohesive policy to face this challenge, not a piecemeal shuffle of funds from one program to another.

Why is $32 million of this money being used to pay for student on-the-job training? This money should be used for what it is intended for, the support of those who are unemployed. When will the Government make a responsible commitment to retraining?

The unemployment insurance cuts, as with every action that the Government has taken in this session, hits the disadvantaged the hardest; women and young people, native people, all of those who experience high unemployment levels. These are the people who are being most short-changed by this attack on our unemployment insurance system.

The unemployment rate for women is 7.9 per cent, higher than that for men which is 7.2 per cent. Women are in and out of the labour market more often than men. It is women who bear the brunt of the responsibility for child rearing and family responsibilities. Why is the Government attacking women further with its changes to the unemployment insurance program?

Women's groups cried out that the Mulroney trade deal would hurt social programs like unemployment insurance, they cried out that it would hurt women the most. The Government has proven those women's groups right. Immigrant women who are losing their jobs in the textile and clothing industries because of free trade now have only half an unemployment insurance program to turn to. They are paying for UI benefits and for training now through their premiums and they will not have access to these benefits that they deserve. They will not even be able to access the job training due to the Government's discriminatory language training practices. Many immigrant women are condemned to job ghettos or to unemployment by the Government through its deplorable sexist discrimination in language training.

As a sweetener to this mess, the Government introduced parental leave and tried to take credit for it. The credit really belongs to Mr. Schachter who took the Government to court over another Tory discriminatory practice which forced natural mothers, out of economic necessity, to stay at home and take care of infants even if the couple had agreed that it would be the father who would take on this responsibility. It is Mr. Schachter who won parental benefits for natural fathers. The Government was forced to bring in parental leave through his actions.

At the same time, the Government has reduced adoptive parents' leave by five weeks. It has gone from 15 weeks to 10. The previous speaker tried to take credit for adoptive parents' leave. The Minister of Employment and Immigration (Mrs. McDougall) brought in these changes to parental leave knowing full well that many provincial labour laws do not guarantee that parents will be able to take that leave. This is just another way the Minister can attempt to score a few political points.

The fishing industry is a very important industry in my home province of British Columbia. After successive years of both Conservative and Liberal mismanagement the Canadian fishing industry is really at risk now, both on the East Coast and the West Coast of Canada. Why are they in danger? This is because the Conservative Government decided to put the needs of the Canadian people and the Canadian workers last.

On the East Coast, overfishing has meant massive lay-offs. Those who fish have lost their incomes. Fish plants are shutting down, processing jobs are lost. What has the Government done to help these laid off workers? It reduced their benefits. The Minister talks about retraining but, Mr. Speaker, retraining for what? Where are the jobs in these small coastal communities?

The Minister knows that 70 per cent of those who are employed in the fish processing industry are women and many of them visible minority women. Why has the Government chosen to attack the regions of Canada, attack the fragile resource industries of our country? Why has the Government allowed these jobs to be stolen from Canadian working women? The Government has introduced changes to our unemployment insurance

program which may force these women and their families on to the welfare system.

It was in 1988 that Pat Carney told this House of Commons that fish would be landed, inspected, graded and quality- controlled in Canada. That has not happened. Instead, we have seen the present Minister of Fisheries and Oceans (Mr. Siddon) gut the whole Canadian industry. The whole B.C. fish processing industry has been gutted and those jobs are going. These job losses could not come at a worse time for Canadians. Not only have we lost control over our own Canadian fish, our own resource, we have now lost control over Canadian jobs. We are losing control today over Canadian social programs.

I wonder whether the Government thinks that it is some kind of accident that the countries with the most progressive unemployment insurance programs also have the lowest rates of unemployment? Countries like Sweden, Austria and Switzerland, all with truly progressive unemployment insurance programs, have unemployment rates of less than 5 per cent.

An Hon. Member: And the citizens have the highest tax rate in Sweden, too.

Ms. Black: Why has the Government again found it necessary to finance its agenda on the backs of the average and lower-income Canadian families? What benefit can come of this for Canadian people? None. Working people pay more when the Tories are in power and they receive less and less. We have a Government which said social programs were a sacred trust. We have a Government which chooses not to inform Canadians during an election of its plans to slash our social programs. We have a Government that invokes closure after only one day of debate on such a fundamental change to our social contract in Canada. This is flawed legislation. It is a sad time for all Canadians.

• (1930)

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, I am pleased to continue the debate on Bill C-21, regarding the Government's proposed changes to the Unemployment Insurance Act. We in this country are faced with a monstrous deficit. In times such as this what is required of the Government is responsible restraint.

What is required, especially now, is for the Government to strike a balance between what we must do and what we can afford to do. While this is anything but easy, it is the responsibility of this Government to address the realities of our current situation.

These proposals are a good attempt to reflect the balance which is required at this point in time. They address the limitations which our deficit has placed upon us, but more important these proposals ensure the system continues to provide assistance to those who are in need.

These proposals, in many ways, have sought to improve the current system without losing sight of the fact that we are faced with a deficit of crippling proportions. The time has come for us to try to accomplish more for less. Only in this way can we address all of our responsibilities.

The origins of our unemployment insurance system can be traced back to the period immediately following the Second World War. Faced with the possible spectre of severe unemployment, the Government of the day devised a system which ensured that the basic needs of the returning soldiers would be met. The seeds for what we have today were planted in 1971 when the system was reorganized.

We must ask ourselves, has it gone beyond what it was intended to do? Can it be improved? Can the unemployment insurance system do more to help those who are truly in need?

Can the system continue to support those who need it without serving to some as a disincentive to get back to work? Of course, unemployed workers should continue to receive benefits, but the system must be flexible enough to assist them in getting work.

There are many who want to work but, through no fault of their own, find themselves without jobs. The spirit of the Act is to support people while they look for work and to assist people with special problems so that they too can obtain work.

There are abuses of the system. The people who abuse the system are not dishonest. The truth is the system allows for, and in many cases, encourages these abuses to take place. We all know people who do not feel like

returning to work because they are entitled to more weeks of benefits. Many people do not have any objections to spending the summer collecting unemployment insurance. I think people realize this.

Never in the history of mankind have changes to society been more dramatic than they are now. The new legislation addresses the unemployment problems which are the result of this changing world: a world which finds women re-entering the workforce, a world which finds older workers displaced by changing job requirements, younger workers trying to crack the workforce, seasonal workers in and out of jobs and those facing the toughest challenge of all, the long-term unemployed.

Let us discuss for a moment the federal Government's new labour force development strategy announced in April. This will build on the success of the Canadian Jobs Strategy, and in consultation with business, labour and the provinces will provide new ways of responding to the needs of the Canadian labour market in this changing world.

Let us take, for example, the plight of many older workers. I meet many who want jobs while travelling in my riding of Elk Island. These people are accustomed to work. In fact, their pride demands that they put in an honest day's work. These older workers will benefit from the $100 million earmarked to retrain them.

For those who are in danger of losing their jobs, the new industrial adjustment service will be doubled to $30 million to help retrain workers who might otherwise be laid off. These are commonsense ideas which prevent workers from being displaced, which identify the special concerns of the older worker or those who are without skills.

I would like to speak for just a moment about young people. I have four children. How this country competes on the world stage in the future depends on how well they are prepared to meet the challenges. Support will be quadrupled through co-operative education, providing high school and college students with valuable hands on experience. Over the next four years, it will rise to $34 million. Many young people making the transition from school to the labour force will benefit from the new entry level training programs. One hundred million dollars will be spent on this and up to 50,000 new workers will receive assistance from this program.

Forty-five million dollars will go to unemployed Canadians for increased self-employment, so that they can set up their own businesses and create more jobs. This lump sum form of benefits will also allow workers to move if they wish to seek jobs somewhere else.

This is not all. A national skills development advisory board will be set up to tell the Government what the private sector is looking for. Human resource planning will receive $65 million to further develop a national job strategy. This will expand Employment and Immigration's current human resource services. It will help industries and occupational associations plan for changes in their personal needs, using EIC programs and services. To further strengthen this plan, money will go to building networks of industry associations, unions and training institutions so they can work toward building more jobs for Canadians.

The Labour Force Development Strategy also proposes to make the system fairer by including these benefit provisions: Special unemployment benefits which will include 15 weeks of maternity benefits, 10 weeks of parental benefits and 15 weeks of sickness benefits. This will cost $450 million annually.

The system must be fine-tuned so it works best for those who need it most. We must ensure the system continues to help those who are in need, while recognizing the need for fiscal restraint. We must try to accomplish more for the people the system was originally designed for. We must try to make the system better. This is why the proposed changes are in line with regional disparities. Where there is high unemployment, people will not have to wait as long to collect benefits. They will also be able to collect for longer periods.

Seasonal workers will be helped under the proposed changes too. The Government proposes to eliminate the repeater clause. A seasonal worker who is forced to collect a second time in a year will not need to have the extra weeks of work the second time. These measures simply reflect the reality that it is tougher to find a job in the interior of B.C. than it is in southern Ontario. If we really are going to get more for less we must simply make the system work better. One way of getting more for less is by enlisting the support of industry. Since industry, both large and small, provides these jobs we must match its need for skilled labour with the need people have to

work. Instead of mobilizing a huge government bureaucracy to take care of this retraining, why not let industry experts do this? Compared with other industrialized countries, our industrial training programs lag far behind.

• (1940)

The Government's objective is to stimulate an additional private sector effort of $1.5 billion per year by the year 1994. This will bring the total to approximately $3 billion per year by 1994, a level which would take us up to par with industry training programs in the United States. This will help Canadians who are unemployed, Canadian who face unemployment because their skills are becoming obsolete, young Canadians who are beginning their careers, Canadians who will be helped to escape the prospect of long-term unemployment and Canadians who want to work.

We all know what many opposition Members are saying. They say the money belongs to the workers. I say the money not only belongs to them but to the unemployed workers as well. I say that when the system is being abused then money is being taken out of the pockets of all Canadians, especially those who need the money the most, those who are looking for jobs.

What do the people of Canada think of the UI system? The results of a Gallup poll that were made public recently in *The Gazette* confirmed what the Government is attempting to address with these proposed changes. The poll revealed that 74 per cent of Canadian citizens felt that many people are abusing the unemployment insurance program. Almost three-quarters of those polled felt that many people use the unemployment system as a form of paid vacation. Is this fair to Canadians who pay into the system? Is this fair to the unemployed Canadians who have a real need for assistance? Isn't the aim of the system to help these Canadians find work? Don't training and retraining programs do precisely this?

In summary, some Hon. Members seem to think we can solve a problem by throwing money at it. This is not a responsible way to spend Canadians' hard earned money. The intention of these proposals is to improve the UI system while keeping in mind the necessity of restraint. These proposals represent a creative way of achieving both. These proposals do not lose sight of our responsibilities to unemployed Canadians. These proposals are designed to provide jobs.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, I rise today to participate in this very important debate on this very important Bill C-21, which amends the Unemployment Insurance Act. It is an important debate taking place here today because this Bill, which is badly flawed and unacceptable on its own for many reasons, most of which we have already heard throughout this debate, is even more repugnant when one looks at the backdrop of events that have taken place prior to the introduction of these changes.

I want to speak for a while about some of the changes as they affect Atlantic Canada. The Hon. Member opposite may have a chance to speak a little later, so perhaps he could listen to me first and speak more intelligently a little later.

Canadians will remember that during the recent election campaign on many occasions when the Liberals and the New Democrats told the people that they believed major changes were coming once the Tory Government got re-elected, the Hon. Member for St. John's West (Mr. Crosbie), the Minister for International Trade said as eloquently as he possibly can, as all Newfoundlanders do: "Unemployment benefits are safe with the Conservatives". He went to the extent of saying that he confirmedwith the Prime Minister (Mr. Mulroney) that there were no problems at all all. He said that all this was fearmongering from the Opposition in an effort to get votes.

Shortly after the Tories were re-elected, after a few leaks, the Minister of Employment and Immigration (Mrs. McDougall) had to come to this House prior to Budget night and tell us that there would be major changes to the Unemployment Insurance Act. She stated in this House, as many other other members of the front bench opposite did at the time, that the changes were consistent with the statement that had been made by the Minister for International Trade during the election campaign.

We kept asking the Prime Minister, the Minister for International Trade and the Minister for Employment, how could they speak out of both sides of their mouths? Was it not true that statements made were misleading to

Canadians during the election campaign? Members opposite insisted all along that that was not the case.

Just recently the Minister appeared at the Labour Committee and was asked whether or not certain changes were being considered to the Unemployment Insurance Act prior to and during the election campaign. The Minister did not rule out or unequivocally say no, that was not the case, that no changes were being considered. She said: "I suppose there were some evaluations going on in the Department but nothing specific. Therefore, in my view, I think the statements made during the campaign were correct". I think Canadians know a flip-flop and a shim-sham when they see one. This particular exchange and these comments made in the House were exactly that. It was an effort to gain votes. It was an effort by a desperate Party during a desperate campaign to try to hide the true agenda in order to get re-elected.

That was the backdrop. It showed the depth of deception of the Party opposite when it was campaigning for votes. Since the election, the Tories have come into this House and talked about the great commitments toward national reconciliation, wealth creation, job creation, and economic prosperity which they would inflict upon Canadians.

There are a number of programs which Canadians have come to respect and expect, especially from our neck of the woods in Atlantic Canada. Initially these were called regional development agreements. Then the name was changed to the general development agreements. This was a method by which the federal Government took the vast resources of this country and redistributed them, took the concept of equalization, that it did not matter where you lived in this great nation, you had a right to expect and enjoy a certain standard of living. The GDAs did this. The ERDA process which replaced it in 1984 did it. That process took money from the wealthiest parts of the country and redistributed it to places like Atlantic Canada.

During that same election campaign in November, 1988, members of this Government seeking re-election and election went on and said: "Regional development programs are safe. That is a sacred trust". Well those GDAs and subsequently the ERDAs contributed billions of dollars toward the economy of Atlantic Canada. On March 31 of this year, the Government, under its true agenda, allowed $721 million in general development agreements or ERDA agreements to expire in Atlantic Canada alone. It is telling that the Government hid the details of this of this for as long as it possibly could.

• (1950)

Then there was a leak in the press and the Government had to come clean with the Canadian public. The Minister opposite from my home province, the Minister of Public Works (Mr. MacKay) who is responsible for ACOA, would shake his head many times. He should have been hanging his head in shame because he allowed his colleagues in Cabinet to take $721 million in very necessary investment in Atlantic Canada and shuffle it off under the guise of deficit reduction. That is shameful.

By March of next year, if this pattern of uncaring, this true Tory agenda, continues unabated, there will be $1.221 billion worth of development agreements that may not be renewed. An Hon. Member opposite is shaking his head. He should talk to the Premiers of Newfoundland, P.E.I. and New Brunswick who are on bended knees asking the Government to honour its commitments to Atlantic Canada and to renew those agreements that have been allowed to lapse.

Mrs. Sparrow: What about Hibernia?

Mr. MacDonald (Dartmouth): An Hon. Member asks about Hibernia. What about Hibernia? The deadlines placed by the Government to have that deal signed and the production modules in place has passed. Just last week, we heard the Minister of Energy, Mines and Resources (Mr. Epp) say that he did say in a speech he gave that they would have to reduce the cost of Hibernia. He said that they may take those jobs that were supposed to be created in Newfoundland and Atlantic Canada off-shore because because they might have to produce the production platforms off-shore. They are exporting the jobs. That is what the Government is doing with Hibernia, so do not give me any of that crap about Hibernia. The people of Atlantic Canada know exactly what is happening with Hibernia. It is the same type of game the Government has played with ERDAs and all the other development programs that have been canned.

Through this cruel game with ERDAs, the Government cut off some very important development programs in things like the fisheries, forestry and the tourism industry. I will deal first with the tourism industry. The Minister from Nova Scotia keeps saying that while he is negotiating, these agreements are not dead, but it may take a little longer. He says that they may reprofile the moneys. I think we should reprofile the Minister. We should put him back on his woodlot in

Pictou County. He is not doing his job on behalf of the people of Atlantic Canada.

The tourism sector of Atlantic Canada is one of the industrial sectors that has the potential for true growth, the creation of thousands of jobs and new wealth in Atlantic Canada. That was recognized by this Government, by previous Governments and by all the Governments of Atlantic Canada.

The tourism sub-agreements for Atlantic Canada expired and the Government played a cat, mouse and shell game with the Premiers. Perhaps, through a slip of the tongue, the Minister of State for Tourism (Mr. Hockin) spit out last night or the night before that they will not review the tourism sub-agreements, they are dead. That is what he said. We on this side of the House knew it and the people of Atlantic Canada knew it, but once again, we had to squeeze it out of a Tory before we were told exactly what the Government is going to do and how it will devastate our region.

In the forestry industry, there have been hundreds of millions of dollars put into silviculture for the 30,000-odd private woodlot owners of Nova Scotia alone. In Nova Scotia and Atlantic Canada, there are tens of thousands, perhaps over 100,000 jobs directly and indirectly related to the forestry industry. The Government of Canada, in co-operation with the Governments of the Atlantic provinces, were using that money for silviculture so that forestry was truly a renewable resource. It created jobs. Yes, they were seasonal jobs but they were jobs. They left people with their dignity. When people were laid off, they would go on unemployment insurance. That program has not been renewed and there will be thousands of individuals in Nova Scotia who will not be able to work in the forestry because the Government, in its gutless approach to regional development, has refused to renew those agreements.

For what the Government has done to the fishery, all Members opposite, particularly those from Atlantic Canada, should hang their heads in shame. The Minister of Fisheries and Oceans (Mr. Siddon) likes to pretend that he even knows where the East Coast is. I do not think he would know the Atlantic Ocean if he fell in it head-first. Every time he is asked about the East Coast fisheries, the Minister tries to mimic the Minister for International Trade. He is certainly no match for anyone from Newfoundland, Nova Scotia, P.E.I. or New Brunswick. We know the fisheries in those provinces. We know the devastation that has been wreaked by the mismanagement of the fishery by the Minister.

The Government has taken a dwindling resource and allocated it to the foreign fishing fleet. Time after time, people say that we have to look after fishermen and fish plant workers, those very individuals who work in a fragile industry, a seasonal industry. What has happened to the fishery? A headline in *The Chronicle-Herald* of Friday, May 12, 1989, says: "NatSea pulls plug". Where will the fish plant closures occur? Seafair Enterprises Limited, Wood's Harbour, closed, 60 seasonal workers lost their jobs. Medway Fisheries Limited, Port Medway, closed, 50 seasonal workers lost their jobs. NatSea Canso, closed altogether, 625—

An Hon. Member: What about full-time jobs?

Mr. MacDonald (Dartmouth): Do you want to know where they have lost full-time jobs? I will tell Hon. Members that if they will just listen. NatSea in Canso, closed June, July, reopens August and will close for good, and 625 full-time jobs will be lost. There is a fish plant in Lockeport that has been closed by the Government's mismanagement of the fishery. Lockeport closes June, July, reopens August, September, permanent closure October 1, 450 full-time jobs lost. The Hon. Member wants to know where the job losses are. I will send this over and maybe he can edify himself. He will be able to tell where they are kicking the you-know-what of the people of Atlantic Canada. The fishery policy has put in jeopardy those very jobs that the ERDAs sought to protect and the Government has refused to renegotiate those deals.

In ACOA, $1 billion of new money was supposedly put in, announced with much fanfare by the Prime Minister on his way to Europe in 1987. He announced in Newfoundland a five-year program, $1 billion in new money. After the Budget came down and after the Minister opposite could not hide the real figures from the Opposition and the public any longer, we found out two or three minutes before he appeared before a committee that he changed the rules on ACOA. He told us that there would be minor modifications. He took a five-year program and stretched it out into a seven-year program. That is a cut of 25 per cent in the moneys available on a

yearly basis, and it is a reneging on the commitment the Government made to that program for Atlantic Canada.

I have talked to people in the industrial sector, individuals who were looking to take advantage of ACOA dollars. They wanted to create real wealth in Atlantic Canada. Those individuals will not be able to do that any longer. There will be more unemployment in Atlantic Canada as a result of the policies of the Government.

Let us go a bit further and talk about the base closures that have taken place in Atlantic Canada. In Summerside, 1,300 employees will lose their jobs, devastating the economy of that small island. The people of Prince Edward Island spoke when they re-elected a Liberal Government and left only two Members in opposition. This Government would not listen. It has plugged its ears. It does not want to hear the bad news. It knows that the job it has done is a dirty deed and it does not want to fess up to it.

The Government has inflicted more despair in places like Barrington. The Hon. Member opposite has done his very best to try to keep the people of his riding from going down the tubes, but his own Government does not listen to him. Over 300 jobs were lost at CFB Sydney. Those are the kind of economic policies the Government has been inflicting on Atlantic Canada since it was re-elected. I could go on forever. I could talk about Established Programs Financing and about the $15 million that are gone in Nova Scotia as a result of the cut-backs in education transfers and transfers for hospital care.

• (2000)

I could also talk about the At and East program. There is a Bill currently before the House which, when passed, if it does pass, will jeopardize 295 jobs at the Halifax grain terminal. Those employees will be on unemployment insurance, if they qualify under the new regulations.

The Government is stripping and gutting VIA Rail. It is pulling up the tracks on VIA Rail. Nowhere will that be felt harder than in Atlantic Canada. For Members opposite who do not think that 300 or 400 jobs are a lot of jobs, I ask them to look at how big Nova Scotia is. It has 875,000 people. I have probably already chronicled approximately 2,000 jobs lost in Nova Scotia as a result of the Government's policy. If that was translated into Montreal or Toronto, the Government would not have the nerve to pull that off in those centres because it would be thousands or tens of thousands of jobs lost.

However, it picks on the Atlantic provinces where government Members think that they can just plug their ears and do not have to listen to people from the Atlantic provinces, and that they will deal with the centre. That is exactly what the Government has intended all along. This Government is going to dismantle the country piece by piece and it started in the Atlantic region.

That was the backdrop before Bill C-21, amendments to the Unemployment Insurance Act, was introduced. This Bill tries to help reduce the deficit that the Government has brought upon itself on the backs of those Canadians who can least afford to pay for the Government's mismanagement.

The Government thinks that there are cheaters in the system. I ask government Members to check the statistics from their own Departments. The number of people who have abused the unemployment insurance system is extremely small. Every time a Minister opposite rises to talk about the changes, the first thing he states is that he is trying eliminate abuse of the system.

Mr. Arseneault: Less than 1 per cent.

Mr. MacDonald (Dartmouth): My hon. colleague states that it is less than 1 per cent. Therefore, 99 per cent are pummelled in order to get rid of 1 per cent. Not one Canadian believes the Government for a second. Nobody in Atlantic Canada does, anyway.

Under this Bill the Government is going to increase the qualifying period and decrease the benefits in Atlantic Canada. It is going to decrease the amount of time that unemployment insurance can be drawn. But, by God, when things get so bad that the unemployment rate jumps up to 14 per cent, 15 per cent, or 16 per cent, the Government will be a little less tough and a little nicer. However, what will be done in the meantime? After the fish plants have been closed, the people working on the military bases have been thrown out of work, virtually shut down the tourism industry in Atlantic Canada, put in peril the fisheries in Nova Scotia, Newfoundland, P.E.I., and New Brunswick, and VIA Rail has been shut down, the Government comes in and cuts the safety net that was supposed to be there to ensure that Canadians are not pushed off a diving board into a pool with no

water. The very social safety net has been cut with the changes proposed in this Bill.

At the same time, the Minister opposite states that the Government is going to put some of that money into retraining. Time and time again she was asked if $200 million in benefits is taken out of Atlantic Canada, was she prepared to rise in the House and tell us that $200 million in new training dollars will go in? The Minister has yet to give us that assurance, because the political will is elsewhere. She has been asked a number of times in the House, as has the Prime Minister and we cannot receive that commitment.

I could go on for days about what the Government has been doing to the economy of Atlantic Canada. I certainly hope that Members opposite will listen intently and find it in their hearts, if they can find their hearts, to say that this Bill is the final act of humiliation by a callous and cruel Government hitting those people who can least afford to look after themselves, and hitting those regions that can least afford to be kicked in the manner that they have been kicked.

I urge Members opposite to get hold of themselves, come to their senses, and to say no to this dastardly Bill.

Mrs. Barbara Sparrow (Calgary Southwest): Mr. Speaker, I am pleased to participate in the debate this evening. I was interested in some of the comments of my colleague, the Hon. Member for Dartmouth (Mr. MacDonald), on the other side of the House.

We certainly do realize that there are areas within the regions of Canada that have more difficulties than other areas. That is exactly what the Government has been striving to overcome in the past four years.

Atlantic Canada has had the greatest economy during the past four years since World War II. Over the past four years there have been 108,000 new jobs created on the East Coast. Since we came into Government the unemployment rate has fallen in P.E.I. from 13.8 per cent to 11 per cent; in Nova Scotia it has fallen from 13 per cent to 9 per cent; in New Brunswick it has fallen from 14 per cent to 10 per cent; and in Newfoundland it has fallen from 24 per cent to 13.5 per cent.

In 1984 the Liberal Government that was then in power put $185 million into Atlantic Canada for regional development. This year the Progressive Conservative Government will be contributing $420 million. That is almost three times the amount that the Liberals put in. Equalization payments are up 40 per cent in Atlantic Canada. Over the past four years, we have increased equalization payments by 40 per cent.

There are other areas in Canada that also have difficulties, it is not only Atlantic Canada. I want to tell Members what we have done in western Canada. In August, 1987, we developed the Western Diversification Fund. This Government set aside $1.2 billion to be used for diversification. Up until today, we have approved 1,006 projects for a total of $574 million. That is going into Manitoba, Saskatchewan, Alberta, and British Columbia.

Mr. Arseneault: When?

Mrs. Sparrow: They started at Christmastime in 1987, nearly two complete years ago. It is continuous and extremely successful.

In 1984, when we came into power the unemployment rate in my Province of Alberta was 13 per cent. Today it is down to 8 per cent. We have created 70,000 new jobs in the Province of Alberta, and I am proud of that.

There are also areas such as the Husky upgrader where we are investing moneys to refine heavy oil so we can then ship it as light crude either to eastern Canada or to the United States. We are also putting funding into the OSLO area in which we will be able to utilize the oil sands in regard to security of supply.

Over the past four years, CIDA contract awards going into my Province of Alberta have more than doubled. Procurement contracts that we never had before we are now starting to receive. We are now building the infrastructure so that we in western Canada can also participate.

It is a privilege for me to speak on Bill C-21, a Bill that provides statutory authority for the implementation of certain provisions of the federal Government's labour force development strategy. I was reviewing the labour force development strategy and how we are reinforcing

private sector training through human resource planning and training. We are putting in an increase of $65 million to expand the current services. Obviously, as science and technology change, and as our jobs and our goals change, we have to develop the human resources.

For entry level skills development, there is an additional $100 million for training, including a new program to meet the needs of growing industries, especially those in the service sector. It is very interesting how we note that the service sector will be far more important in the years to come. For too long we in this country have rested on our laurels. We have been a resource driven country. Canadians have developed and depended upon their resources to maintain and improve their standard of living. We have oil and gas in the province from which I come and also a great deal of coal. In Canada there is a great deal of nickel, gold and iron ore. There is uranium in the Province of Saskatchewan. Of course, there are fish on the east and west coasts which, too, are natural resources. Our forestry areas also represent a tremendous resource.

• (2010)

In Canada we have been doing so well that we have not been looking ahead at how we will meet the markets as far as efficiency and global trading in the next decade are concerned. I guess what I could say is that we have not been sharpening our wits. We have to change our habits. Changing our habits is as important as changing the UI program and setting aside funding to retrain people so that they can meet the demands of the next decade. In this way we can go into the 21st century competing with our colleagues, not just those south of the border but those internationally.

We have to change our habits. We have to re-educate ourselves and change our direction. As I said, the best way to change our direction is through training. That must be the main way.

Another interesting development that has happened over the past few weeks is in terms of Bill C-3, which had to do with the development of the new Department of Industry, Science and Technology. We can see that the Progressive Conservative Government along with our Minister of Industry, Science and Technology (Mr. Andre) and the Minister of State for Science and Technology (Mr. Winegard), who is in the House tonight, are very much aware of how much science and technology, and research and development mean to the future development of our country. I do not know whether the Minister has ever said this, but I think he means that they are probably the weapons that will maintain and improve our economy. The Minister would very much like to see alliances formed with the Government, universities and industries right across Canada, working together to spend better what moneys we have. We are under deficit reduction. All of us on this side of the House realize how important it is to bring down the deficit and, indeed, the debt. It is not "our problem", it is everybody's problem. We do not want to be spending today, putting that on the backs of the youth of tomorrow.

In terms of initiatives to help the unemployed and in terms of training for the unemployed we have increased funds to $350 million under Section 26. The Government will consult. It will consult with the private sector and with the provinces on how best to implement this proposal. This is something we have been doing over the past four and one-half years. Instead of making unilateral decisions, national reconciliation and co-operation with all levels of Government, be they our provincial counterparts or municipal counterparts, are very important. I was pleased to hear the Minister of Employment and Immigration (Mrs. McDougall) say that she will work with these particular areas.

Through employment assistance in the Canada Centres for Employment we will offer more intensive assistance to unemployed workers by directing job seekers to the services that they need and at an earlier age in an area of unemployment. There will also be help for social assistance recipients. There will be an additional $100 million made available which is contingent, of course, upon matching allocations from the provinces.

There will be help for displaced and older workers to the tune of $100 million. This money will be for special measures to assist displaced and older workers to re-establish themselves in the labour force.

In terms of self-employment, entrepreneurship and mobility assistance there is a provision for $45 million for UI recipients to capitalize benefits in one lump sum. This money could be used for start-up costs, subject to a viable business plan, or for mobility assistance up to a maximum of $10,000. This is exactly the way we should go in terms of assisting people in different regions of our country who are at different levels of employment,

people with disabilities and people who have to move in order to obtain jobs.

When this country of ours was created geologically some of the regions received some resources which turned into tremendous wealth benefits. Other regions did not receive any. Therefore people have to go to where the jobs are. We will try to assist them in every way that we possibly can.

As I said, I am very pleased to speak on this Bill that improves the unemployment insurance program. As Members of the House are aware, these adjustments are an integral part of the Labour Force Development Strategy. This strategy signals the Government's determination to help Canadians, both employed and unemployed, as well as to help Canadians adapt to a changing labour market. Fundamental to making the transition is mobilizing and preparing our human resources.

It has been estimated that by the year 2000 almost 80 per cent of Canadian jobs will demand professional, white collar skills, compared to today's figure of 40 per cent. The traditional blue collar job is disappearing. Even those people on the shop floor are now being expected to have reading, writing and numerical skills to deal with the complex, high-tech machinery around them. We have seen that over the past five to ten years cash registers which have been computerized and which provide stock taking as well. It certainly makes conducting inventory a lot easier. However, again, we recognize that people working in the retail area will have to be better educated and better trained. That is why the thrust of this strategy is to improve the amount and quality of training and, in the private sector, to help Canadians attain skills in demand. In this regard the co-operation of business, labour and Government is essential.

Through this strategy we are encouraging the private sector to take on a leadership role in training, as the private sector has done in many other countries. The example in many other countries has proven that businesses must constantly help their workers to upgrade their skills in order to keep their businesses competitive. For instance, 1987 figures show that while U.S. firms spent about $30 billion annually on formal training and retraining, the Canadian private sector devoted only $1.5 billion a year to skill development activities. Adjusting for the relative size of our economies and differences in survey design, the result is indisputable that Canadian firms spend barely one-half of what their American counterparts commit to improving the skills of their employees. Herein lies the rub. We certainly have to call upon the private sector to partake in more of the retraining and, indeed, in the cost of retraining people, for people are the greatest resource of the country.

As we move into the next decade and the next century it is up to all of us, not just to the Government, to be retraining our best resources. We have to do better if we are going to be successful and compete in the international market. In this way we can ensure that Canadians will continue to enjoy one of the highest standards of living in the world.

Almost 50 years ago, when Mackenzie King's Government passed the first Unemployment Insurance Act, the intention of UI programs was to encourage industrial stability and social security. Today, the purpose of unemployment insurance programs is the same. The goal of our Government is still to protect people out of work and to maintain economic stability.

In 1989, however, the structure of the labour market is changing before our eyes. No longer does our economy depend almost entirely on a resource based industry. No longer does a high school education ensure a young person a good job.

• (2020)

If Canada is to keep up with the pace of expanding global markets and world competition, it is imperative that we prepare for it now. It is evident that our unemployment insurance programs, while continuing to protect workers, must evolve with the times. The Labour Force Development Strategy means a shift toward programs and services that in the future will help Canadians get back to work as quickly as possible. Clearly, training and other active employment programs are the key to preparing Canadians for the future and, to that end, the Labour Force Development Strategy outlined a wide range of initiatives designed to help these people get back to work.

Some of these programs which I outlined earlier include entry levels skill development programs, human resource planning and training programs, the Industrial Adjustment Service Program, Community Futures. These are initiatives to help the unemployed. These are all very meaningful ways that we will assist people get back to work as quickly as possible.

The amendments in Bill C-21 give effect to these changes and will see the resources committed under the UI program for active assistance increased from $405 million available today to more than three times that, an estimated $1.4 billion in the first full implementation year. These funds will be used to train and provide financial assistance to help UI claimants get job training, experience, or work.

Since 1977, some unemployment insurance money was used to provide training for those receiving benefits. Last year, for example, 74,000 claimants were trained under Section 61 programs.

The Labour Force Development Strategy proposes to extend training to an additional 60,000 trainees. Funds will be earmarked for skills training and education upgrading for displaced and older workers. This strategy recognizes that training involves much more than school costs.

Government programming has long ensured that adequate income support is available to those who need training but encounter financial barriers related to dependants, care or travel and commuter costs. We will also be making funds available for relocation assistance for an expected 5,000 claimants so those who want to travel out of town to look for work or those who want to move where job prospects are better will have income support available.

The Bill also considers those claimants who want to start a business. Assistance will be available to support the entrepreneurial ideas of those on unemployment insurance. As well, some UI funds have been set aside to provide incentives to the unemployed to find work quickly. This may be in the form of bonuses or temporary earning supplements.

Forty-nine years ago the Unemployment Insurance Act was passed to help workers in a changing labour market. Today, market transformation is again our impetus for amending the Unemployment Insurance Act. Providing a safety net for unemployed workers remains paramount. The unemployment insurance program continues to be an integral part of Canada's social system. The size of the over-all UI program will not change. What is different is the direction of our unemployment insurance program.

Out in the domain of the unemployed, life is getting more difficult and the strategy is based on the principle that a more pro-active approach is needed by business, by government and by labour to address these needs. Clearly, the positive steps we are talking about today address the needs of workers and of the market. This will ensure Canada's prosperity tomorrow.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott-Russell): Mr. Speaker, I welcome the opportunity this evening to take part in the debate on Bill C-21.

[*English*]

Bill C-21 should be renamed the Tory broken promises Bill, because it implements once more the exact opposite of what the Conservatives promised the electorate during the last election campaign.

Lest one thinks that I am merely making a partisan remark, let me remind Members opposite what the Member for St. John's West (Mr. Crosbie) said during the last election campaign.

On October 14, 1988, as quoted by the *Evening Telegram* of St. John's Newfoundland, the Minister for International Trade said: "No one is planning any changes in the unemployment insurance program. There hasn't been any change proposed to us since we dealt with the Forget Commission and we are not contemplating any changes".

Of course, one has to bear in mind that this particular statement was made by a Tory. When quotes are made by Tories, sometimes one has to interpret them as being exactly the opposite of what was said. As Winston Churchill once put it: "The opposite to the truth was never stated with greater accuracy".

The Tories have been reducing funding for job development since they came to power.

Mrs. Sparrow: That is not true.

Mr. Boudria: A Tory Member across the way is shouting that is not true. The Tories have reduced funding to the tune of $700 million. Now it is claiming that it is contributing $800 million, but that is almost the amount it took out. Furthermore, this does not take into account the fact that the $800 million they are contribut-

ing is being taken from the funds of the workers. They are taking it out of the UI fund.

The Member across says that is not true. Let me give her a few examples of what is happening in my constituency this year. I ask those Members to pay close attention. In the great constituency of the Glengarry—Prescott—Russell here in eastern Ontario we had a job re-entry project in Rockland, Ontario and one in Hawkesbury, Ontario. This year they applied for four smaller programs under job re-entry.

For those people who may be listening to this debate, the job entry and job re-entry programs are designed with a particular emphasis on women who have not been in the workforce for some time or who have never formed part of the so-called active workforce. It is designed to give them skills to find a job.

Those programs in my constituency have a success rate of 90 per cent to 100 per cent. The program at the high school in Vankleek Hill had a placement rate of 100 per cent. Every woman who started the program finished and got a job. I congratulate the people who put this program together for my constituency.

This year we applied for four smaller programs totalling slightly more than what was applied for last year. Three of those programs have been refused because of lack of funding. That is the kind of commitment we see from the Tories who say that they want to train workers in order to get jobs.

About a month ago the Minister of State for Youth (Mr. Charest) sent us a large press kit inviting us to inform the population of our ridings about the great new co-op program with the schools. The very same day that I received this press kit on my desk I received a refusal from the same Minister for one of those co-op grants. It is the only one for which we applied in the constituency that I represent. That is the Government's commitment to the riding that I represent to assist toward retraining and the training of people to find productive jobs.

Let us look at what the Conservatives have done for the great region of eastern Ontario. There is a misconception that just because Toronto is doing very well economically, all of Ontario does extremely well and there is no such thing as unemployment in our great province.

• (2030)

That is not true. For instance, the riding I represent in Prescott County has an unemployment rate that nears 14 per cent. That is only about 60 miles from Parliament Hill where we are standing right now. The unemployment rate in my area is very high.

I think I heard someone across the way suggest: "Why don't they get a job?" That is very typical of the sensitive Tories. It is surprising that they got 19 per cent of the votes last time in my riding with that kind of a mentality. That is all they received and it is about 15 per cent more than they deserve.

Let me read from the Throne Speech wherein in indicated:

> The new federal approach to regional development is working.

That is very debatable. The Throne Speech of April 3 continued:

> Decentralized decision making, through the regional agencies in Western Canada, Northern Ontario and Atlantic Canada, has been instrumental in stimulating both entrepreneurial endeavour and business investment. Funding for regional development in Quebec and for these agencies will be continued, and the government procurement policies will become increasingly responsive to regional considerations.

Do you notice something missing from that statement, Mr. Speaker? eastern Ontario is not there. Now under previous programs there was the Canadian Industrial Renewal Board, a component to assist high unemployment areas of eastern Ontario such as my riding. Under the Industrial Regional Development Program, IRDP that expired last summer, northern and eastern Ontario were considered equally.

They were considered because both of those regions have economic difficulties. This time the words "northern Ontario" appear, which is fine, but the words "eastern Ontario" are missing from the Throne Speech. That was the first indication that eastern Ontario to get a kick in the pants from the Conservatives across the way.

[*Translation*]

I would like to recall, Mr. Speaker, the doctrine formulated by the Hon. Member for Mississauga South (Mr. Blenkarn), who said, a few days after the last election campaign, that because Eastern Ontario voted for the Liberals, it could no longer expect anything from the Conservative Government and would get nothing from a Conservative Government. That was the Conser-

vative philosophy and attitude expressed in no uncertain terms a few days after the election campaign by the Hon. Member for Mississauga South. We now see that this theory is being applied, that this statement is becoming fact, Mr. Speaker.

[*English*]

Let me give a few indications of what this Bill would do to the riding of Glengarry—Prescott—Russell. As I said previously, the unemployment rate in the National Capital Region is in the order of 5.6 per cent to 5.7 per cent.

[*Translation*]

I say: good for the people of Ottawa if things are going well in the National Capital region, with an unemployment rate of 5.6 or 5.7 per cent. The trouble is, Mr. Speaker, that the National Capital Region is grouped together with neighbouring regions into one economic zone. In other words, the ridings of Stormont—Dundas, Glengarry—Prescott—Russell, Renfrew, Hastings—Frontenac—Lennox and Addington, and so forth, and the City of Ottawa are considered as one unit. Statistics Canada takes the figures for this region and uses them to calculate the regional unemployment rate. So on that basis, the unemployment rate for Eastern Ontario is 5.7 per cent.

This may be true for the region as a whole, but it certainly is not true in Hawkesbury or in Prescott County which has an unemployment rate of 5.7 per cent. In Cornwall, Stormont—Dundas and Glengarry, the unemployment rate is 10.9 per cent. It does not apply either to the Renfrew area, which unfortunately has an unemployment rate as high as 11 per cent.

Mr. Speaker, Ottawa has been regrouped with the neighbouring regions, even regions that are pretty far away, for the purposes of these statistics.

I raised this point in a question in the House of Commons on April 17, 1989, and I received an answer that was not very encouraging, I would even say frivolous, from the Minister of State (Employment and Immigration) (Mrs. Vézina). A few days later, I spoke in the House during the adjournment debate, and I again asked the Government to give me guarantees that they would revise the map of economic zones before implementing this legislation. This is what the parliamentary secretary to the Minister of Employment and Immigration (Mr. Kempling) told me:

[*English*]

The Parliamentary Secretary to the Minister of Employment and Immigration whom I see sitting across the way, as reported at page 955 of *Hansard*, said:

> With respect to regional boundaries, I want to inform the Hon. Member about the study initiated by the Hon. Minister of State for Employment and Immigration (Mrs. Vézina) in August, 1988. I can assure the Hon. Member that this study of regional boundaries is still taking place. I am positive it will be completed long before the legislation passes the House.

Does the Member across the way remember that? I see him nodding his head. Presumably he still believes that that is true, and he at least remembers having made the statement.

I want to draw the following to Your Honour's attention. At the Standing Committee of Labour, Employment and Immigration one of my colleagues asked the officials of the Department about this very topic that had been raised in the House by the Parliamentary Secretary in answer to one of my questions. This is what he said:

[*Translation*]

Mr. Barry Carin, Assistant Deputy Minister, Strategic Policy and Planning, Department of Employment and Immigration, said, and I quote:

> If it is at all feasible, our intention is to complete the study in time. The way I believe it will develop is that there will be more regions than we currently have. We will probably move to somewhere in the low 60s from 48, so our intention is to complete the study and, if at all possible, to do the implementation.

It wasn't all that clear. Further on, Mr. Speaker, the same DADM said, and I quote:

> Then there is a second stage, where Statistics Canada has to draw a new sample frame for their survey. They have to decide what the design of the survey ought to be in order to produce very reliable results. The existing labour force survey is based on the existing boundary structure. It is a complex matter and there is a lot that depends on this coming out right, so Statistics Canada will want to do this right.

Mr. Carin went on to say that it might take three to six additional months, which means even later, after this Bill is passed. The Government expects to get second reading through the House in a few days. The Bill would

then be considered during the summer and passed next fall.

So you see, Mr. Speaker, that the answer I got from the parliamentary secretary, although he probably thought he was telling the truth, was wrong. Either the Minister or the Department gave the parliamentary secretary information that was inaccurate, and he passed it on to the House.

[*English*]

I am not the only one who is concerned about the effects of this particular Bill on eastern Ontario. The Town of Renfrew is nowhere near my riding. It is approximately 75 miles from where I live. It adopted Resolution No. 89–4–77 which in part reads:

> WHEREAS the inclusion of Regional Municipality of Ottawa–Carleton in the same Employment and Immigration Canada Economic Region with such Counties as Lanark, Leeds & Grenville, Prescott & Russell, Renfrew, and Stormont, Dundas & Glengarry implies that the level of local economic activity characteristic of metropolitan Ottawa is also characteristic of these Counties; and
>
> WHEREAS the level of local economic activity characteristic of metropolitan Ottawa is not characteristic of the Counties of Lanark, Leeds & Grenville, Prescott & Russell, Renfrew & Stormont, Dundas & Glengarry;—
>
> NOW THEREFORE BE IT RESOLVED THAT the Council of the Town of Renfrew hereby petitions the Hon. Barbara McDougall, Minister of Employment and Immigration, to revise the boundaries of the Eastern Ontario Economic Region to more accurately reflect the economic realities of Eastern Ontario; and
>
> BE IT FURTHER RESOLVED THAT the Council of the Town of Renfrew further petitions the Government of Canada, as an interim measure, to afford the same treatment to employers located in, and the municipalities and residents of, the Counties of Lanark, Leeds & Grenville, Prescott & Russell, Renfrew, and Stormont, Dundas & Glengarry as that enjoyed by other parts of Canada with comparable levels of local economic activity;

In other words, the Town of Renfrew was asking for relief for its area which has high employment, as does mine does, and not to be considered with Ottawa–Carleton for the application of this Bill.

• (2040)

I will tell the House what the effect of this Bill would be on the riding that I represent, why I am so upset about it, and why the Town of Renfrew and all the other municipalities, which have signed the resolution I have in hand objecting to these changes, are so upset about this. The unemployment rate in Ottawa is supposed to be 5.7 per cent. The new rules lengthen the number of weeks that a person must work before receiving UIC. Perhaps there is some validity to that in an area with very low unemployment, sometimes but not all the time. On the other hand, the Bill proposes that the number of weeks of unemployment insurance that a person can receive will be shortened.

Here is the case, Mr. Speaker. Under the current system the number of work weeks needed is 14. Under the new proposed system one will need to work 20 weeks before receiving unemployment insurance. The number of weeks of benefit right now is 46. Under the new system it will be 45, all because the zones are tightened up.

Let me say what would happen if the Government were to amend these rules to recognize the true unemployment situation of Hawkesbury in my constituency. Hawkesbury has a rate of unemployment ranging between 13 per cent and 14 per cent. The highest rate on this schedule is 11.7 per cent. I know it offends the Member across the way when I speak of eastern Ontario, but she can pay attention and she will learn something from it.

If the rules were applied properly, my constituents would be eligible for 50 weeks of unemployment insurance benefits; not by applying a different criteria, just by recognizing the reality, just by recognizing that Hawkesbury does not have the same unemployment rate as Ottawa or Toronto. I am not asking for special consideration. I am just asking that what is there be recognized by the Government across the way and that instead of being eligible for 35 weeks of unemployment insurance benefits my constituents would quality for 50 weeks.

In terms of the number of weeks to qualify the rate would go from 20 back down to 14, which it was before this new Bill would apply. Some Tories ask what that would do. That would create a situation whereby my constituents would not have to go on welfare. That is the important thing. My constituents are fed up with that kind of a situation. They are fed up with seeing the Government take away what they have had for so long. Why should these benefits be cut back from my constituents?

[*Translation*]

And the Tories opposite keep telling us that they are going to allocate additional funds for manpower training. Well, that is not true, Mr. Speaker. They cut funding, but they are going to put back the funds they cut, and we are supposed to be ecstatic! We are supposed to be eternally grateful to the Tories. Well, we are not, because it is not enough. What we want Mr. Speaker, is to play according to the rules of the game, and "we" means the constituents of Glengarry—Prescott—Russell, for starters.

Furthermore, we need a regional development program for Eastern Ontario that recognizes the economic realities of the region I represent. Until the Tories decide to do that, Mr. Speaker, they will never enjoy the support of the people I represent.

[*English*]

If this keeps up, not only will the Tories be extremely unpopular in my riding but "Tory" will become no more and no less than a four–letter word.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I enjoyed very much the lecture of the Member for Calgary—Southwest (Mrs. Sparrow). I found it very interesting that she gave us a litany of program titles. I think it would have been very nice if she had talked about the UI Bill and about real people.

She said that traditional jobs were disappearing, and she is absolutely right. High skilled, well paid jobs are very much disappearing. They are being replaced by jobs in the fast food industry and low paying jobs, many of them still reasonably high skilled.

I will use my industry as an example. In the printing industry, due to technological change hundreds of journeymen and women printers who have spent four and as many as six years serving apprenticeships and were extremely highly skilled are finding themselves, in increasing numbers, unemployed and deskilled. In fact they have gone from highly skilled men and women in highly skilled jobs to being button pushers.

Some Hon. Members: Not true, not true.

Ms. Langan: I obviously struck a chord with Members opposite, Mr. Speaker, because they are finding it necessary to tell me that I do not know what I am talking about.

Have they ever worked in the printing industry? Do they know anything about what has happened in that industry? Do they know what is happening with technological change across the country to men and women who have worked for 20, 30 or 40 years in highly skilled jobs and are now finding themselves in deskilled jobs?

Mrs. Sparrow: Then they had better be retrained.

Ms. Langan: Yes, they had better be retrained, but what are we going to retrain them for? We are going to retrain them to work in fast food restaurants. We are going to retrain them to work in the service industry. We are going to retrain them during the very best working years of their lives, the last five or six years before they retire, to work in low paid jobs in the service industry. I thank very much those on the opposite side of the House who have made my point for me.

It is important that we talk about the sweeping changes announced on April 11 which we are debating tonight. The strategy includes massive cuts to UI regular benefits, an expansion of UI training benefits, a new 10–week parental benefit, the stacking of sickness, pregnancy and parental benefits, and an expanded role for labour and business in labour adjustment.

Clearly the most important feature of the Government's strategy is the proposed massive cuts to regular UI benefits. Regular UI benefits account for 86 per cent of the $10.9 billion in UI benefits claimed last year. The Government has estimated that the new benefit structure will cost $1.3 billion from regular UI benefits. Workers will not only bear the cost of UI changes in reduced benefits, but beginning January 1, 1990 the entire cost of UI benefits will be financed from worker and employer premiums. Worker premiums will be increased from the current level of $1.95 per $100 of weekly earnings to $2.25 per $100 of weekly earnings to replace the nearly $3 billion per year which the Government contributes, or did in the past, for regionally extended benefits. The 15 per cent increase in worker UI benefits will cost a worker making $400 a week $62.40 in increased UI premiums.

The Government will also increase the penalties for fraud by workers or employers. There are about 200 fraud cases a year out of 3.2 million claimants. This is clearly part of the Government's broader strategy to create public hostility toward UI and UI claimants. The Government's justification for massive cuts in basic benefits is to reallocate 10 per cent, or $1.3 billion, of UI

funds to training and to cover charter cases; $750 million to training; and $500 million to cover the Charter cases which the Government lost.

The cuts in regular UI benefits are not necessary to finance those changes to UI. At the current premium rate of $1.95 per $100 earned, UI premiums would generate $900 million more than the expenses currently charged to premiums. Had the 1988 rate of $2.35 remained in effect this excess or surplus would have amounted to $4 billion. Premiums could still have been substantially reduced while providing improved special benefits and better training coverage for UI claimants.

• (2050)

Certainly it could have happened if the Government had not chosen with the introduction of this Bill to opt out of unemployment insurance. A feature of the Government's strategy is to shift the cost and burden of unemployment and adjustment to workers, including unemployed workers. In shifting the burden, the power of employers will be increased in shaping conditions of work and wages. A more subtle aspect of the strategy is to highlight penalties of voluntary quits to create a public impression that unemployment is voluntary and to whip up public hostility to the program.

The proposed restructuring of regular UI benefits threatens the viability of UI as a social insurance program for which it was founded. Millions of workers will be required to pay premiums to a plan in which they will never be eligible to receive benefits because of the increase in required weeks to qualify. Workers who most need the benefits for a long duration will have their benefits terminated prematurely.

For example, older workers, to whom the Member from Calgary referred, who have very long spells of unemployment will have little protection because of the very sharp reduction in the duration of weeks of benefits. Well over half the claimants who qualify for UI will have their maximum weeks of entitlement reduced by 13 weeks.

The 1971 Unemployment Insurance Act struck a difficult but workable balance in sharing the burden for unemployment among workers, employers, and the Government. This balance was reflected in the UI benefit structure and in the formula for financing those benefits. The current benefit structure has three phases. The first two phases relate benefits to a claimant's weeks of work. When I say "current", I am talking about the one we are about to vote out of existence tonight by the other side of the House. The third phase extends UI benefits by two weeks for each half point the regional unemployment rate is above 4 per cent. The three-phase structure worked and worked well.

The over-all maximum duration is 52 weeks less a two-week waiting period. The maximum duration of benefits for most workers in the 48 UI regions has been 40 weeks to 52 weeks over the past 15 years because the unemployment rate in very region except two, Toronto and Kitchener, in recent years has been well above 4 per cent. Currently, as of March 1989, the entrance requirement in 22 regions is only 10 weeks for the same reason. The regional unemployment rate has been very high through the 1980s.

Under the new program, in Mission—Coquitlam, my riding where unemployment is 9.8 per cent, the number of weeks needed to qualify will go from 10 weeks to 16 weeks, a 60 per cent increase in the entrance requirement.

In addition to increasing the entrance requirement, the Government is reducing the duration of benefits. The duration of benefits will still vary with the regional rate of unemployment. Under the current system, a worker with 15 weeks living in Mission—Coquitlam, for example where the unemployment rate is between 9 per cent and 10 per cent, could collect 39 weeks of UI benefits.

The same worker, under the proposed system, does not even qualify. Sixteen weeks would be required. If the worker is able to get an extra week to qualify, the maximum weeks of benefits under the Government's proposed system is 27 weeks, 20 weeks less than the current system. A worker in Mission—Coquitlam at the current regional unemployment rate with 52 weeks of work, under the proposed system, I repeat, is limited to 49 weeks, one week less than the 50 weeks under the current system.

The closest we have come to defining a full employment measure in any Canadian statute is the 4 per cent unemployment rate used in the Unemployment Insur-

ance Act to determine the number of weeks UI benefits should be extended as unemployment increases.

It also defines the portion of the Unemployment Insurance Program which should be financed from general government revenues. It explicitly accepts that when unemployment is high the unemployed worker will have a longer job search and that the cost should be borne by government which should manage the economy such that the unemployment level not be greater than 4 per cent. In insurance parlance, it is a form of third party liability. It is a form which is about to be removed.

Much has been made about the extent of training under this program. I just want to say briefly that despite the strong consensus on the need for training—and I agree that training is needed—the Government training programs have been dismal failures. If we talk to anybody who has gone from a well paid job into a training program to being trained for jobs that do not exist or for low paid service industry jobs, they will tell you that first of all the wait is too long, that second the jobs are not there when they are done and, third, that they cannot live on the salary they earn in those jobs. Most Canadians, although they believe that the Government has a responsibility for training, are becoming very cynical. They do not trust that the Government is serious about filling the training gap.

The Government has not been satisfied with getting the so-called free trade deal through. The Government now launches an attack on the very workers whose jobs were lost by making huge cuts in the length of benefits workers are eligible to collect and increases in the time these workers must have worked to qualify for unemployment insurance.

The most offensive is that these same workers are forced, along with employers, to pay the increases in premium for the decreased benefit. Why? It is because the Government is getting out of the unemployment insurance business.

It is interesting that at the same time the Government is running around the United States, the corporate U.S., saying "Canada is open for business", it is running all over Canada saying "the Government of Canada is getting out of business".

Let us examine how Canada is going out of business. The Government is getting out of the UI business. The Government is getting of the passenger rail business. The Government is getting out of the airline business. The Government is getting out of the oil business. The Government is getting out of the post office business. The Government is going out of business in area after area, and now it is telling Canadian workers: "Tough beans".

In my community, rail workers have been laid off because of cut-backs. Airline workers have been laid off because of mergers from deregulation. Child care workers will be laid off because of lack of funding. Help care workers will be laid off because of lack of transfer payments.

I would like to go on to the forestry workers. The Minister of State for Forestry (Mr. Oberle) and the forestry workers in my riding and a number of other ridings in British Columbia are losing their jobs because of the abysmal record of this Government. It promised a full Ministry of Forestry, and we did not get it. It is not in the Budget.

There are hundreds and hundreds of jobs in my riding, including hundreds of forestry jobs. I would invite the Minister to join me in my riding, to visit those forestry workers, and to tell them the sky is falling.

It is a cruel joke. It is vicious and it is vindictive. However, most of all, it is a complete abandonment of a social contract entered into between the Government and the Canadian people.

There is impact on the municipalities, for example, as employers. The Hon. Member for Calgary Southwest referred to infrastructure. Let us talk about what the Government is forcing municipalities to do as employers. Taxes, that is what it is forcing them to do. What about small business and unemployed workers? For example, the Surrey municipality will face an extra expenditure of $814,000 due to the increased UI premiums. This includes the municipality and the school board. In effect, the changes will result in a shift in the tax burden from federal to municipal government.

An Hon. Member: That is the Tory plan.

Ms. Langan: That is the Tory plan.

I would like to close my remarks by setting a scenario. Many of us have taken the opportunity in the House of Commons, those of us from the House of Commons, to go out on to the lawns of this great building and watch the light show. It is not the night show; it is the light show. I would like to suggest to you, Mr. Speaker, if you

recall, any of you who have been out see it, there is the rock, the forest, the river, and Queen Victoria.

The rock says:

"I'll tell you what was aggravating. The Great Depression was aggravating."

Voice 1 says:

"The man in charge actually shot one of the men who came in looking for work!"

Voice 2 said:

People cannot be left to starve to death with suicide as the only alternative.

The parliamentarian said:

Conditions are such that men are getting out of control and anything is likely to happen.

Voice 3 said:

I saw about 150 labourers hanging around the door of the Salvation Army waiting for a crumb of bread while millionaires were feasting five minutes walk away.

The parliamentarian said:

What ferments of hatred are growing in the hearts and minds of Canadians of all races.

Voice 4 said:

Surely these are wonderful conditions when the police have to guard the city's dump to keep Canadians from living there!

Voice 5 said:

I feel afraid of what another winter may bring, especially if these awful dust storms continue. Rain might at least give us food.

Mr. Oberle: The sky is falling in.

• (2100)

Ms. Langan: The Hon. Members might want to listen to this. The parliamentarian said:

Strict economy on the part of this Government will mean less work and more unemployment—more hunger, more destitution, more want, more disease, more crime, more insanity, more suicides and more human deterioration.

Mr. Oberle: More socialism.

Ms. Langan: I suggest to you, Mr. Speaker, those words are as true and real today as they were as this great country was being depicted by the Light Show. I think it is a very sad statement that we can laugh and say the sky is falling in and joke about the plight of the unemployed as we snatch away benefits and withdraw from the business of a social contract. Rather than laughing, Hon. Members on the other side of the House should be apologizing to Canadians, the working men and women, the unemployed, who they are now disregarding.

Mr. Guy H. Arseneault (Restigouche): Mr. Speaker, I thank you for giving me an opportunity to speak in this debate on Bill C-21, the Conservative Government's mean-spirited and ill-conceived reform of our unemployment insurance system.

During the 1988 election campaign, the Hon. Member for St. John's West (Mr. Crosbie) said that his Government was not planning nor contemplating any changes to Canada's Unemployment Insurance Act. The Minister said one thing and his Government did another. The list of broken promises keeps getting longer and longer.

The purpose of the Bill we are debating today is to cut back our unemployment insurance system drastically. The Government's proposed reforms are designed to place the entire burden of Canada's $12.6 billion unemployment insurance program squarely on the shoulders of this country's employees and employers.

Both labour and business groups have predicted that the inevitable result of this Bill will be higher unemployment. Nowhere will this effect be felt more strongly than in Atlantic Canada. It stands to reason that in times of austerity or economic downturn employers will think twice before hiring workers if they are forced to contribute a greater amount of money to unemployment insurance.

The Government plans to turn its back on the workers of Canada. Its arguments for doing so do not stand up to the crucible of careful analysis and reason. The first argument used to justify this reform is the alleged necessity of reducing the deficit. All this rhetoric about deficits plaguing the Canadian economy is just a smoke and mirror screen used by the Government to hide its true agenda, which is to cut social spending. Economists do not even agree among themselves as to whether or not the deficit and debt constitute a serious problem for our country. Moreover, a careful study of history tells us

that our country in the past lived with high deficits and high ratios of debt to gross domestic product.

The second most obvious reason for the Government's introduction of the legislation is that as part of its delivery system for the Free Trade Agreement it has given in to the Americans who believe that our unemployment insurance system constitutes an unfair trading practice and that it should, therefore, be curtailed if not completely eliminated.

We of the Liberal Party warned Canadians during the last election that the Conservatives would dismantle the essential public services in this country for the sake of free trade. The Government's actions have confirmed our dire warnings. It has cut regional development grants, unemployment insurance tonight, provincial transfer payments, grain transportation subsidies, CBC funding, VIA Rail, and the list goes on and on. The Government made cuts to social programs as well as to a variety of other services in order to create conditions which would permit American businesses to compete with their Canadian counterparts on what the Conservatives call a level playing field. If a level playing field means plant closings and hundreds of people thrown out of work, including 975 workers at Northern Telecom in Aylmer, Quebec, 139 workers at Pittsburgh Paints, 600 Gillette Canada employees in Quebec and Ontario, then I would suggest the Government has succeeded very well indeed.

What Canada needs right now to deal with all the lay-offs caused by free trade is a more progressive and compassionate unemployment system. Instead, the Government tables this legislation which makes it more difficult for displaced workers to obtain unemployment benefits. Where is the logic in all of this, Mr. Speaker?

The third excuse which the Government uses to denigrate Canada's unemployment insurance system is that it believes workers to be fundamentally lazy and that a progressive unemployment insurance system encourages this nasty tendency. For anybody with at least a modicum of common sense and understanding of human behaviour, this argument is nothing more than vapid rhetoric. Individuals take pride in and get satisfaction from gainful employment. People use unemployment insurance benefits out of necessity, not choice. If the Tory Government does not understand this, then it had better do some more homework.

Statistics show us that only an infinitely small percentage of unemployment insurance claimants either cheat or abuse the system. According to figures supplied by the Department of Employment and Immigration, only 5,507 people were caught cheating in 1987-1988. During the same period, 6,215 people refused a job while receiving unemployment insurance benefits and thereby lost their rights to the benefits.

If you tally up these figures, the number of people who either cheated or refused a job while claiming benefits is negligible. Only 0.45 per cent of all claimants can be said to have abused the system. Think of it, Mr. Speaker, that is less than 1/2 of 1 per cent of the 2.4 million people on unemployment insurance. If the Government thinks a progressive unemployment system encourages laziness, then I would have to say that the Government's thinking is muddleheaded because figures do not lie.

There is absolutely no relationship between a progressive unemployment insurance system and a high level of abuse and cheating. In fact, countries which have the most progressive unemployment systems, as the Hon. Member for Notre-Dame-de-Grâce (Mr. Allmand) said in this House on June 6, have the lowest rates of unemployment in the world. For example, Sweden, Switzerland, West Germany, France and Australia all have unemployment rates of less than 5 per cent. Moreover, the average rate of unemployment in Canada between 1965 and 1980 was 5.6 per cent, a very low figure indeed. Therefore, it is a fallacy to assert that a progressive unemployment insurance system encourages sloth.

[*Translation*]

Mr. Speaker, the Unemployment Insurance Act was brought in by Mackenzie King's Liberal Government in 1940, following the great economic crisis of the 1930s. The basic purpose of this law was to ensure that all Canadians could meet their essential needs when they were laid off against their will. Unemployment insurance is only one of the features that makes our society more compassionate and fairer.

The Bill that we are debating today is clearly contrary to the spirit of that law. The Government intends to reduce its contributions to the Unemployment Insurance Program by $1.3 billion. Furthermore, it will use this money to offset the cuts of over $700 million that it made

in the last five years. Instead of using funds from general revenue, the Government will take this money from the Unemployment Insurance Fund. From now on, all workers will have to pay for the special training programs.

Mr. Speaker, we completely agree with the principle that the unemployed should have access to better training programs. Nevertheless, the Government should not take money from the Unemployment Insurance Fund to finance these programs.

• (2110)

The present Unemployment Insurance Act provides that 2 per cent of the Fund is to be used to finance special training programs. With the reforms proposed by the Government, the main burden of financing these programs will fall on the Unemployment Insurance Fund. This is a regressive tax. Everyone will lose: workers who receive training, companies hiring the workers so trained, and the economy which benefits from these new skills.

A crucial problem arising from this ill-conceived reform is that the Government can give people in regions of high economic disparity no assurance that they will benefit from this training. Will New Brunswickers who receive high technology training be able to work in their province or will they have to move to Montreal, Toronto or Vancouver?

Mr. Speaker, I get tired of hearing the Government say that it is creating all sorts of economic opportunities while the Atlantic provinces are getting a very raw deal. The Government is closing military bases, abandoning rural post offices, thumbing its nose at regional development agreements and drastically slashing VIA Rail's budget. This Government is deliberately laying off hundreds of workers and it has the nerve to say that it is contributing to this region's economic development. To top it all, the Government is limiting access to benefits.

To set the record straight, Mr. Speaker, unemployment in the Atlantic region remains much higher than the national average. Many of our young people must leave this region if they want to have interesting careers. I know that this suits the Conservatives very well. But the people of the Atlantic provinces want this exodus to stop.

[*English*]

The national unemployment rate is 7.8 per cent, down from 11.7 per cent in 1984. However, this 7.8 per cent comes five years after the last recession. There are still over one million unemployed Canadians. With all the Government's claims of jobs, jobs, jobs, one would think that it could have brought that level back at least to where it was before the recession, 7 per cent. Need I remind Hon. Members that in the 15 years prior to the recession, under a Liberal Government, the average unemployment rate was 5.6 per cent?

The rate of unemployment in Atlantic Canada is staggering. For all their fine promises, the Tories have let Atlantic Canada down. Instead of helping the region with a more progressive system of unemployment insurance, the Government has hardened the blow by increasing the number of weeks needed to qualify for benefits, by reducing the duration and by increasing penalty periods.

The Government's proposals for reform are terribly short-sighted. It has increased the number of weeks needed to qualify because it believes that work, any work, is easily available. I hate to break it to the Government, but that is simply not the case for Atlantic Canada. In many instances, work is seasonal and when it runs out, there are only two alternatives, unemployment insurance or welfare.

The changes proposed by the Government will be devastating to the Atlantic region. Failure to obtain the number of weeks needed to qualify for unemployment insurance will mean that many people will be forced on to the provincial welfare rolls. That is not a very pleasant prospect, I assure Hon. Members.

The unemployment rate in the riding of Restigouche, which I represent, is 15.6 per cent, nearly twice the national average. Under the current system, people need 10 weeks of work in order to qualify for unemployment insurance benefits. The duration of benefits is a period of 42 weeks. Moreover, the penalty for people who quit without proper reason is six weeks. The revisions the Conservatives are proposing will considerably alter the system. The duration of benefits will be reduced by five

weeks, from 42 to 37 weeks. Finally, the penalty period for people who leave their jobs without proper reason will be 12 weeks.

The Government tells us that its reforms will benefit workers. What effrontery. Will workers benefit from longer qualification periods, shorter durations of benefits and training for jobs that do not exist? Certainly not.

Money from the unemployment insurance fund is very beneficial to Canada's less developed regions. The money that is spent goes back into the community and helps local businesses. The Government's proposed unemployment insurance reform combined with cuts to regional development programs, post office closures, army base closures and VIA Rail cuts will be devastating to the Atlantic region.

Unemployment insurance benefits have always served as a stabilizer in communities where there is high unemployment. Reforms to this system should be to improve, not worsen economic conditions.

The Government is clearly shifting its share of the financial burden to the provinces. They will be forced to extend their make-work projects in order to permit workers to obtain the necessary work weeks to qualify for benefits. Failing this, the provinces will be obliged to increase their social assistance programs in order to provide for those individuals who are unable to find enough work to qualify for unemployment insurance.

In both cases, the provinces will be forced to make additional expenditures without any prior warning. The Government has not done any impact studies to ascertain how many workers will be harmed by the changes. Two provinces, British Columbia and Quebec, have already acknowledged that the Government's proposed changes will result in increased social assistance expenditures.

Changes to the unemployment insurance system will seriously harm the economy of rural Canada. Local industries which employ seasonal workers long enough to permit them to qualify for unemployment insurance benefits will be faced with the choice of either laying off workers who do not have enough weeks to qualify or retaining these employees long enough to permit them to qualify. The additional weeks needed for workers to qualify will force these firms to make additional wage expenditures, thereby reducing and limiting their competitiveness. Since these companies will have to compete more and more on an international basis, they will be severely hampered by these increased costs.

The Government has said that the main thrust of its reform was to provide more training. While we believe job training to be very important, we also believe the Government's initiative to be seriously flawed. In many cases, rural communities have only one main industry, and the options workers have are very limited. It is more than likely that the training the Government wishes to provide will force these workers to move out of their regions to find employment. Instead of creating a comprehensive regional development policy, the Government has chosen to increase mobility funds to help workers relocate to regions where employment opportunities are plentiful, away from Atlantic Canada.

I believe this Bill to be very important, and it should be examined as fully as possible. However, the Government seems oblivious to this notion. First, it sabotaged a decision of the Standing Committee on Labour, Employment and Immigration to travel throughout Canada to consult broadly on Bill C-21. The Minister of Employment and Immigration (Mrs. McDougall) said that she did not consult nor did she intend to consult. Second, after only a few Members had spoken in the debate, the Minister of Justice (Mr. Lewis) gave notice that he intended to invoke closure. Not only does the Government not care about unemployed workers, not only does it use spurious arguments to justify its heartless reforms, it is making a mockery of Parliament and democratic debate.

• (2120)

[*Translation*]

Mr. Speaker, we looked at the reasons the Government uses to justify its reform of the Unemployment Insurance Act and we must conclude that these reasons make no sense. It has built a house of cards to excuse its harsh treatment of workers. As you know, Mr. Speaker, the house of cards does not stand up. So I must force the Government to reconsider the Bill and do all it can to provide the workers of Canada with a decent unemployment insurance system.

[*English*]

Mr. Peter L. McCreath (South Shore): Mr. Speaker, it is a great pleasure to have the opportunity to participate in this debate. Unemployment insurance, regrettably I must say, is an extremely important part of the economy of Atlantic Canada, and indeed of Nova Scotia and the

South Shore which I am honoured to represent in the House.

Unemployment insurance has an extremely important role in our society, serving as a safety net in the social system of any civilized society of which ours is one. There are three characteristics which, in my judgment, typify an effective unemployment insurance program. First, the recognition that it is, first and foremost, insurance. It is not the same type of program that we have under the Canada Assistance Plan, for example, but it is insurance. It is something of which one never wants to take advantage. I have absolutely no desire whatsoever to collect on my life insurance— I cannot, of course, speak for my wife. I have no desire to collect on my automobile insurance, and similarly I have no desire to collect on my unemployment insurance. It is insurance. It is something that properly structured and organized is something that we do not want to have to use, but regrettably and unfortunately from time to time we have to use.

Second, it is important to recognize that an unemployment insurance scheme is but part of a network of support systems that exist within a sane and civilized society. It is the particular one that responds to the circumstance that people find themselves in from time to time when they are faced with what one would hope to be a temporary situation of unemployment. The unemployment insurance scheme should not be looked upon as the panacea that will solve all the social evils in society, but should be recognized as performing a function of providing support and assistance to individuals who find themselves in an unemployed circumstance.

Third, an unemployment insurance system is intended to be temporary. It is not supposed to be the basis for a lifestyle. The idea is that if people find themselves unfortunately unemployed for a period of time, there is a safety net to assist them until they have the opportunity to find themselves usefully back into an employed circumstance.

In this context, what role does unemployment insurance play in Canada? I believe, first and foremost, that the intent of our unemployment insurance system is indeed, as I have suggested, to serve as that safety net for persons who find themselves unemployed. That is the primary purpose of our unemployment insurance scheme, and that should remain the primary focus and purpose of our unemployment insurance system.

If we examine the history of this country in recent years, we will find that it also serves a second purpose. It serves as an income support system. My hon. friend opposite was just speaking about the role it has played as an income support system in Atlantic Canada in recent years for people who find themselves unemployed on a regular basis. It is particularly true in Atlantic Canada that some of the industries that exist function on a seasonal basis. For example, fish plants operate on a seasonal basis. Employment within our forestry and agricultural sectors operate on a seasonal basis. Of course, fishermen are only able to seek to harvest the seas for limited periods of time during the course of the year.

This income support function is an extremely important function, not only in Atlantic Canada but indeed in many parts of Canada. It would be my hope that we will see the day in the not too distant future where the unemployment insurance scheme will be reserved as an unemployment insurance scheme, and that there will be another more appropriate type of income support, such as a guaranteed annual income system, put in place in this country. However, for the moment we do not have such a system and we must therefore continue to see and recognize the legitimate role of the unemployment insurance program as an income support system for Canadians who have need of that assistance on an annual basis.

What should be the key objectives of an unemployment insurance system? I have already made the point that first and foremost it should provide a safety net, or protection against the circumstance of unanticipated and undesired unemployment.

Second, an effective unemployment insurance system must be readily accessible to those with a legitimate need to take advantage of it. I cannot stress the importance of that. It is no good if a person cannot get it when he or she needs it.

Third, it must provide a reasonable level of support. Not a level of support that is so attractive that people ask themselves whether or not they should continue to work diligently and hard when the alternative arrangement is to work for a certain period of time and then go on the unemployment rolls, relax and enjoy life or follow other pursuits. It must provide a reasonable level of support

for people who legitimately require the assistance that is provided through that system.

As with any form of insurance—and let us not forget that first and foremost we are talking about a system of insurance—it should be essentially self-financed. It should not be put as yet another service provided at the cost of the taxpayers. We join it, just as we choose to have automobile insurance, life insurance and various other forms of insurance. This is a form of insurance and insurance is something that we have to pay for. We have the good fortune in that the unemployment insurance scheme that exists in this country is not totally paid for by the individuals who benefit from it, but indeed employers contribute, and contribute substantially, to that system. From time to time, as the costs of the system go up, so also does the cost of the premiums, and they have to be met. We have seen in the Budget, which is not directly related to this Bill, increases in those premiums.

From time to time I have heard suggestions made, spurious suggestions I might say, that the increases in the tariffs for unemployment insurance are to be borne by those who are unemployed. One does not have to study the situation very carefully to realize that those who are unemployed are drawing the benefits. They are not paying the premiums. The premiums are paid by the people who are employed, as well as by the employers. That is the way it should be, so there is no disadvantage. Premiums should be raised to reflect the costs of providing the service, but they should not be put upon as a burden for those who have the unfortunate circumstance to have need of the service and the assistance it is providing.

Fifth, participation in the unemployment insurance scheme should be mandatory. I thought long and hard about this. I used to work for the teachers' union in Nova Scotia. Some of us were very annoyed when participation in the pension plan was made mandatory. After a while, I came to realize that if it was not made mandatory people would rather use the money for some other purpose, and the same would apply to insurance. Then the time of retirement comes and they do not qualify for a pension and they are extremely disappointed.

I have a friend who is a life insurance agent. I am sure a number of Members have friends who are life insurance agents. When I was going to buy life insurance I told my friend that my wife said we did not need any more life insurance. She does not want me to be paying any more premiums for life insurance. He said to me: "I tell you what, you go back and tell her this. I have been an insurance agent for more than 30 years. I have met a lot of wives who did not like paying life insurance premiums, but I have never met a widow who did not think it was a valuable way to spend money".

The same thing applies with unemployment insurance. We cannot take a chance on people being short-sighted. It is too easy in the short term to say: "I can use those extra few dollars", and when the problem occurs you find yourself unable to meet the demands. At that point, there is an interest in society as well because people who have not protected themselves appropriately then become a burden on society.

• (2130)

The sixth point that should typify an unemployment insurance scheme is that it should not be readily open to abuse. How often have we as Members of this House had constituents come to us and say: "I know so and so who is cheating on unemployment insurance. I know so and so who is drawing pogey"—as we call it in the Maritimes—"who could be out working". A good, effective scheme seeks to eradicate abuses. It has stiff penalties for those who want to cheat the system. After all, when they cheat the system they are cheating every single one of us who honestly and with integrity contribute to that system. They force our premiums up. That is certainly not fair.

Similarly related to that is the seventh point I would make. It is that the system is one that should not encourage people to quit. There should not be incentives for people to quit their jobs so that they can go on a paid vacation compliments of the unemployment insurance scheme.

A friend ran a company in northern Nova Scotia which pulled up rail lines. He told me he had a devil of a time. People were employed for 12 weeks, then they would sit down on the job or go home. Maybe they would go hunting or do a little farming. They had no interest at all in working beyond the 12 weeks. They would sit down,

wait for him to fire them and then go and draw unemployment insurance. A system that is effective should not be conducive to that form of behaviour.

Mr. Volpe: .02 per cent are cheaters.

Mr. McCreath: We should have a reasonable expectation that people will in fact take advantage of the system when they find themselves in the condition of being unemployed and that they will reasonably seek alternative employment during the time that they are unemployed.

Something about which we hear a great deal is that people are drawing unemployment insurance but that they are not seeking alternative employment. A good scheme is one which not only protects the individual while they are unemployed but provides incentives, encouragement and assistance to get them back into the labour force as soon as possible.

The next point I should make is that the system itself should provide assistance to individuals to assist them in finding alternative employment. Indeed, if there is no readily available alternative employment, it should provide them assistance and opportunities for retraining so that they can prepare themselves to qualify for other useful long-term employment opportunities.

Mr. Volpe: So you have an employment strategy?

Mr. McCreath: One example that we have in our social systems and our social nets in our country to which I think improvement needs to be made is with respect to disabled persons. I have the privilege of serving as a member of the Standing Committee on Human Rights and the Status of Disabled Persons. Yesterday, we visited Toronto—I almost hesitate to say the word. We visited Toronto and heard from a significant number of groups which came before us to talk about the difficulties and the challenges faced by persons who for one reason or another have to learn to live with disabilities. One of the frustrations they had was that if they seek to overcome their difficulties and find alternative employment, even if it is only on a part-time basis, they are penalized for doing so by the social system and the tax system.

These people should be encouraged. They should not, as should no person, be encouraged to continue in a condition of unemployment if in fact there is an opportunity for part-time or otherwise employment. We need to have incentives built into the system in that regard.

Finally, any system has to be a fair system. It has to be a system that reflects equally the needs of all Canadians, that provides equal access to all Canadians and that effectively provides equal benefit to all Canadians. We must not make it attractive for people to look to unemployment insurance as a preference to satisfying self-fulfilling and, indeed, financially rewarding employment within Canadian society.

Nevertheless, the best way to deal with the problem of unemployment is exactly what I might say this Government has done for the last four to five years. It is to have a sound economy, to have approaches from Government that facilitate the creation of jobs. We have seen the creation of a million and a half jobs during the less than five years that this Government has been in office. I might say that the same applies in my own area of Atlantic Canada. I hope we will continue.

We have some problems in Atlantic Canada with our fisheries. The Government cannot create fish. However, this Government is doing a marvellous job in providing incentives to create jobs. For example, we have seen in the last four and a half years of this Government the creation of over 108,000 jobs. I am not talking about make-work projects. I am talking about the creation of jobs, jobs that give people sound incomes, secure futures and a sense of self-fulfilment and self-reliance. At the same time we have seen a reduction in unemployment.

My hon. friends opposite raise some skepticism about this. However, the facts can speak for themselves. What have we seen during the first term of this Government? We saw a reduction in unemployment in Prince Edward Island from 13.8 per cent to 11 per cent. We have seen a reduction in New Brunswick from 14 per cent to 10 per cent and in Newfoundland from 24 per cent to 13.5 per cent. Indeed, in my own Province of Nova Scotia, we have seen a reduction in the unemployment rate from 13 per cent to 7 per cent. That is the kind of performance that we need. That is the kind of performance that goes together with an effective social network to assist Canadians.

Let me take a look at the Bill before the House and assess it against those criteria that I have set forward. What are the principal thrusts of the Bill and what are their implications? Let us face it, the unemployment insurance system is a living organism, like any other system of Government. These things are not set in time intended to be there forever and ever. As circumstances and times change, development opportunities occur. The

first and most important thing is that this Government has recognized that unemployment is not supposed to be a permanent way of life but that people must have an opportunity to get themselves back fully participating in the labour force. Consequently, we see a greater emphasis on retraining and on assisting individuals to find alternative job opportunities.

As I said before, we see also a targeting attempt to deal with the abuses that have been present in the system that have drained some of the funds from time to time. There are stiffer penalties for quitters. There are penalties for those who seek to avoid work. There are stiffer penalties against cheaters. That is as it should be. This may not apply to my friends opposite, but I will tell them that in the part of Canada I come from we believe that a person should do a day's work for a day's pay. We do not believe that systems like unemployment insurance exist to be ripped off by those who do not share the values that we hold high and that are the basis of what is good in Canada.

This Bill and the budget that goes with it seeks to make this system more self–financing which, as I said before, is the way any insurance system should be, noting that those premium increases that come with the budget are not going to be burdened upon those who are unemployed. The unemployed do not pay the premiums. Those who can afford the premiums are being taxed with them.

There are some changes. There will be an increase in some qualification periods. There will be reduced periods during which people can collect. That is exactly the way the system should go.

First, the extended periods of qualification are to be applied to those areas that do not suffer from extreme or high unemployment. Similarly, studies have shown that the people who draw to the extent of the system are the people who are not really intended to be served by the system.

Once again we find that the amendments to the Act being brought forward are clearly in accord with common sense, propriety and wisdom. They preserve the safety net which is the fundamental important aspect of an unemployment insurance system. I am not saying that there might not be a need for a little bit of fine tuning along the way.

Some Hon. Members: Oh, oh!

Mr. McCreath: I look forward to the fact that we may see some of that done at the committee stage. Indeed, I may have a word or two to say about it myself.

However, on the whole, what we have here is a revision of the Act that moves it in the right direction. I see Mr. Speaker waving to me so I must wind up briefly. How will this affect Atlantic Canada? Unemployment insurance will continue to respond to the regional disparity circumstances that affect Atlantic Canadians. The increased qualifications will not hit Atlantic Canada, providing we have changes in some of the boundaries by which the unemployment insurance rates are computed. That is absolutely essential, and I am sure the Government has heard what many Members, particularly rural Members, have said in that regard. Implementation of the Bill should not precede the implementation of the change in those boundaries so that they will reflect actual unemployment rates in different parts of Canada.

• (2140)

The unemployment insurance system, while one of the most controversial aspects of Canadian life, is an extremely important aspect of Canadian life. We must continually mould and modify that system so that it meets the needs of Canadians and remains consistent with the priorities of Canadians. That is the direction in which this Bill goes. I am proud to support the Bill and commend the Government for its introduction.

[*Translation*]

Mr. Fernand Robichaud (Beauséjour): Mr. Speaker, I rise this evening to express my objections to the legislation before the House, Bill C–21, which contains proposals for major changes in the unemployment insurance program. Unlike my colleague from Nova Scotia who just spoke, I believe that these changes are certainly not what is best for the people of the Atlantic provinces.

Over the years, the unemployment insurance program has been able to provide families in the Atlantic provinces with some measure of security. Of course we would rather work, we would rather have jobs, we would rather work all year round instead of working only 10,12, 15, 20 or 25 weeks. We would like to work all round, year first, because it pays better, and second, because we want to work and we enjoy working. However, since the jobs just are not there, the unemployment insurance program provides families with income security. This means that families can depend on a fairly stable source of income

every month. It means that families that are not as well off as their neighbours can still have a decent standard of living. It isn't luxury, but we have food on the table, clothes on our backs, a roof over our heads and we can heat our homes. It means that our children, the children of families that are less well off, can go to school with other children without feeling any different. The kids from poor families have to go to the same school as kids from rich families. They have to buy the same books and of course they want to dress the same as everybody else, and that costs money. And in many cases, in the Atlantic provinces the unemployment insurance program has been able to provide these families with a secure family income.

If you visit the Atlantic region and happen to go to Beauséjour, stop at the corner store and ask the clerk what the unemployment insurance program means to him and to the families who are his customers. He will tell you those families are able to live decently thanks to the unemployment insurance program.

It is often said that people abuse the program. Some people do, but they are a minority. There will always be people who abuse the system, it doesn't matter what kind of program we come up with. I repeat, these are isolated cases. And I think the unemployment insurance program should continue to provide families in the Atlantic region and across Canada with this form of family income security. Mr. Speaker, thanks to this program, our people managed to survive the recession in the early 1980s.

This was followed by a period of economic recovery in Canada generally, and of course the Tories who came to power in 1984 are inclined to take a certain amount of credit for this prosperity.

However, if we look at the Atlantic region, what do we see? Our unemployment rate went down a little. Nevertheless, there is still a gap between the standard of living of people in Canada's more prosperous regions and people living in the Atlantic region, and this gap is unacceptable because it is far too wide.

Throughout this period of prosperity, as I said just now, the unemployment rate went down somewhat. However, we still lost jobs, many of which were subsequently replaced by part-time jobs—the money wasn't as good, but it still helped to reduce the unemployment rate.

Then in 1988, we had the election campaign and all those wonderful promises. It was fantastic, what they were going to do for us in the way of regional development. There was going to be more money. If I remember correctly, the great—

[*English*]

The great J.C. himself told the people of Atlantic Canada: "There will be no changes, no cuts to unemployment insurance. Maybe later, in two years, we will look at the program but there are no changes planned in UI".

[*Translation*]

Mr. Speaker, the 1988 election campaign will be known as the great lie, because we were led to believe all kinds of things.

And of course, the Tories were re-elected. Then we got the Wilson Budget, which was all over Ottawa before it was tabled in the House. Well, that was a disaster. Cuts, cuts, cuts. Regional development programs, the Atlantic Opportunities Program, which was supposed to get $1 billion over five years, new money that was going to be put into regional development and was going to create jobs. And now we find that they are going to dilute that billion dollars to extend it over 7 years. That means a lot less money.

The Minister of Finance (Mr. Wilson) told his Cabinet colleagues: You will all have to cut your budgets. Of course, the Minister of Employment and Immigration (Ms. McDougall) said: Sure, I could cut funding for the unemployment insurance program. The Government doesn't have to be involved in the program any longer. And here we are discussing the program and the proposed changes. This Budget, gave us a raw deal, but the Minister told us not to worry because even if there were changes, the people who needed unemployment insurance would get it.

• (2150)

We were talking about regions and the Minister was aware of the problems we had in the regions, as defined for the unemployment insurance program. Here I want to talk about rural regions and urban regions because we are affected in our area.

In the Beauséjour region, the unemployment rate is between 15 and 30 per cent in the rural part. But in the neighboring city, Moncton, the unemployment rate is steady at around 8 per cent. When the urban and rural rates are combined, we get 11, 11.4, 11.5, which means that according to the law, we must have worked 16 weeks.

Last June, the Minister assured us that she was reviewing the whole matter, because she realized that combining urban and rural areas could cause problems in some regions.

I asked several times and always got the same answer: the matter was under review. When the Minister announced the unemployment insurance program, she also said that a study was being done and should be completed by January 1990, when the changes to the unemployment insurance program would take effect. But we read in the newspapers recently: U.I. Boundary System may miss deadline.

Once again, people are disappointed. They are promised changes that will benefit them, but the studies are not done and there is foot-dragging. However, the Government cannot say that it was not aware that such a problem or problems existed. People had been promised that the necessary changes would be made, because for us, the difference between 10 and 16 weeks and between 10 and 14 weeks, as this Bill proposes, is a major problem. Why? For the simple reason that we depend greatly on fishing. And where we live, fishing is seasonal. The lobster season in my part of the country is only 10 weeks. There is no question of making the season longer, because if the season were extended, it would be disastrous for lobster stocks; the same thing is happening in the crab industry where this resource was used as the basis for income support programs. This resource was used to provide weeks of work. This year, there was no more crab. There had been overfishing. So the people working in the factories were not even able to work their 10 weeks.

All this to tell you that where we live, fishing is very, very seasonal. Of course, if the fishermen can only fish for 10 weeks, the factory workers are also limited to 10 weeks, not in all cases, but in many cases.

So this change from 10 to 14 weeks as proposed in this Bill is a major change that threatens some families and the stability of their income.

Of course, maybe only one person in the family will be affected, but in our area, as here and in many families, both parents have to work to "make ends meet".

And if one of the two can't qualify for unemployment insurance, they will have to live on one income because it also means you can't qualify for welfare benefits either. Which means that the family's income will be cut in two, when their income was already stretched to the limit, so we can't ask these people to make do with less money. People would rather work!

The proposed legislation is supposed to enable the Government to put a lot more emphasis on training. That is fine with us. If you are unemployed and you qualify for an unemployment insurance program or a training program, this is as good as a winning ticket and in fact they should literally offer you a ticket so you can move to a more prosperous part of this country.

Why? Because, Mr. Speaker, you can have all kinds of training programs, but if you can't get a job after all that training, you are back to square one.

In fact, one of the shortcomings of this program and all these changes is that there is no full employment strategy. But what did they do? Instead of giving us job opportunities, they went and cut the programs that could have helped us create jobs.

Earlier, I mentionned ACOA, the Atlantic Canada Opportunities Agency, which the Prime Minister (Mr. Mulroney) had promised $1 billion over five years. And now we find it isn't five but seven years. The money for development agreements and sub-agreements on fisheries, forestry, tourism— Today I heard that the sub-agreements on tourism won't even be renewed and that the amounts earmarked for these sub-agreements will now come out of ACOA funds.

It was supposed to be new money for all regional development programs, and now the few opportunities, the few resources we had to create new jobs are being eliminated.

Earlier, I heard my colleague from Nova Scotia say people were abusing the system and that changes were necessary.

Mr. Speaker, people in the Atlantic region would prefer to work if we could at least give them some way of creating jobs that would then help them take advantage of training programs. However, it's no use training them if there are no jobs.

Mr. Speaker, I tell you that without a ticket, because it takes a ticket, by the time the workers are trained, VIA Rail will no longer be there. They will not be able to take the train to leave. Because that was also cut. Just in our area, the Province of New Brunswick, over 250 jobs will be lost because of the VIA Rail cutbacks. Add to that the 1200 jobs that we lost in the CN shops last year, although we were promised that they would not be cut!

Mr. Speaker, you understand why I must oppose this Bill, because, Mr. Speaker, this Bill is contrary to the best interests of my constituents, the people of Beauséjour. That is why I support the amendment of my colleague, the Hon. Member for Notre-Dame-de-Grâce (Mr. Allmand), who wants to amend the Bill, so that Bill C-21, an Act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act, is not now read a second time but is read a second time six months from today.

• (2200)

[*English*]

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I rise to speak on this Bill with some unhappiness and discontent with the fact that we have to be debating it because it is going to wreak havoc on the people of this nation. This Bill comes from a Government which says it has compassion for Canadians, that it is caring of Canadians, and that it is acting in the interests of all Canadians. The Government is certainly not a friend of the underprivileged in this country, the workers in this country, the seniors in this country, and certainly not of students in this country. In fact, Canadians right across the land are very concerned about this Bill.

In fact, with regard to students, a student by the name of Christopher Wayland from McGill University in Montreal, certainly nowhere near my riding, is so concerned about this Bill and is so fundamentally opposed to it that he made a point of contacting the House tonight to ask that his name be put on the record of this House as being publicly opposed to this Bill. That says a lot for Mr. Wayland and a lot for Canadians right across the land.

This Bill reflects the true agenda of the Government. To paraphrase an old saying, this is a Government by the privileged few, of the privileged few and for the privileged few. Twenty minutes is only time to barely scratch the surface of the effects that this Bill will have on Canadians.

I would like to talk about the Free Trade Agreement. Before the election the Government was stating that the Free Trade Agreement would have no effect on social programs, would create a level playing field on which our social programs would be secured, that they would be not touched. Yet this Bill has, in effect, lowered the standard of social programs, it has affected the unemployment insurance program. Our unemployment insurance system is vastly superior to the United States but this Bill brings us much closer to harmony with the U.S. The Government is quick to say that every sparrow that falls is going to be blamed on the Free Trade Agreement. Well I think a jumbo jet is crashing on the nation today.

Just to give two examples, in the lower mainland of B.C. where the unemployment rate is approximately 11 per cent, unemployed people formerly received 50 weeks of unemployment insurance and they will now receive 39 weeks of insurance. What a surprise to find that if you go south a few miles to Seattle you will find that unemployed workers in that area of that country receive 39 weeks of unemployment insurance benefits. Workers who quit or are fired from their jobs will lose seven to 12 weeks in benefits. Their insured earnings will be cut to 50 per cent from 60 per cent. This again is in harmony with the U.S. As the free trade Bill takes effect, as the free trade fall-out falls upon us, we find our playing field sinking down into the mire. This is exactly what the Government said would not happen.

I have been listening to the comments which some Members opposite have been making. I am appalled at some of the comments. The Member from South Shore (Mr. McCreath) indicated that there have been increased numbers of jobs and that this Bill will work toward increasing jobs. I do not know about his region of the country, but I certainly know that there are actually

15,000 fewer people living in the Province of Saskatchewan. We are losing population because of the lack of jobs and the lack of commitment of the Government to regional job development.

The Member for Elk Island (Mr. O'Kurley) says that his Government knows that Canadians will take advantage of the opportunity not to work. The Member from South Shore put it even more bluntly, he said that he did not like to see the unemployed rip off the country.

I would like those Members and other Members who have the same attitude to tell that to the working poor of this country, to tell that to the 40 per cent of families living below the poverty line who have both husband and wife working. They are not ripping off the country. They are trying to survive. Tell that to the people who are living below the poverty line and are paying taxes. I think it is outrageous that people who live below the poverty line actually have to pay taxes. Is that a compassionate government? Is that a government that cares for people?

Less than 1 per cent of the unemployed are so-called ripping off the system. The unemployed in this country have a better record at not committing fraud than the members of the PC caucus, a far better record. The Member may be tired of unemployed ripping off the country, but the people of the country are tired of the PC Government ripping off the country.

A Member opposite made the comment that Canadians want to work and I certainly agree with that, certainly with respect to small businesses. I would like to focus on that group for a few moments. Small businesses create more jobs than does any other sector of our economy. Small business people often work 50, 60 and more hours a week to make ends meet. They are the industry in this nation that is, in many areas, keeping the economy moving. And what thanks do they get from the Government? Small businesses are suffering under high interest rates. In my region of the country small businesses are having a difficult time and high interest rates are certainly making it more difficult. That is true in other regions of the country as well. They have been hit with bank charges. The Government has introduced a Bill supposedly to deal with bank charges but it certainly did not think of small businesses when it dealt with bank charges. The governing Party says that it is a friend of small business. Well, you do not need many friends like that.

That Party should take a lesson from this Party, the New Democratic Party, which is in fact looking after the interests of small business. It is our Party which recently introduced a motion calling upon the Government to make small business its first priority. It was this Party that introduced a motion recently which received the unanimous consent of the House, which called on the Government to make small business the first priority of the Federal Business Development Bank.

That is a direction that the Government could take. It could begin to implement some changes to help create some jobs in this country, because Canadians do want to work, but they need the opportunity to work. Unless the Government is going to create an environment in which there are opportunities, then people will not work, and certainly small business needs opportunities. Small business often works on a low-profit margin and works long hours. Small business is the industry in this country which is creating jobs, they are the ones who should be having some advantages.

• (2210)

We are waiting, Mr. Speaker. We hope that the Government will take some direction regarding our motion with respect to the Federal Business Development Bank. We are still waiting. We are not holding our breath but we are waiting.

In the meantime, what has this Party done to small business? It has introduced an unemployment insurance Bill and budget cuts which are going to directly affect small businesses. We have heard all sorts of speeches and all sorts of very valid comments about the effect that this Bill will have on the workers in this country and about the disadvantaged in this country. Certainly small business fits into that category.

This is a Bill which is going to put the burden of social programs directly on the backs of workers and small business employers. That is a sad comment to make in this day and age. This is a government which is cutting some $3 billion that it took from general revenue to put into the unemployment insurance program. That is

where the money should be coming from. It was a distribution of income and funds which were transferred more equitably across this nation. That is now gone.

Small business will not notice it immediately because the unemployment fund has a surplus. That is simply because the rates were increased last fall. When the rates go up the following November, it is going to be the workers of this country and it is going to be the small business employers who are going to be fuelling that increase directly and dramatically.

The Government will say that it is throwing hundreds of millions of dollars of new funds into job creation. These are neither new funds, nor are they for the benefit of small business. The Minister of Finance removed these funds from the unemployment insurance program when he brought down his Budget. Small business is not in a position to take advantage of those programs. They are designed for big business. They are designed for the friends of the Party opposite. It is tragic for the people of this nation.

If this Government would like to do something for small business, then it should be acting in a manner which is going to be responsible to small business. It should consider passing legislation that is going to allow small business to survive in this country. It should be creating an environment whereby small business can function. It should be using the Federal Business Development Bank to provide loans to small business. It should be having an unemployment insurance program whereby the employer is not burdened with carrying the weight of the social programs on their backs. It should be providing an interest rate policy which is going to assist small business.

This program affects dramatically the very regions of our country. This is not unlike other Bills this Government is passing. Certainly there have been tremendous cuts in provincial transfer payments. There have been tremendous cuts with respect to regional programs.

There have been base closures. The base closures alone are a disgrace. The Government has closed the base at Summerside in Prince Edward Island which employed some 1,100 people. These are 1,100 direct jobs lost in a city of some 8,000. That is going to be devastating for that community.

In Portage la Prairie, Manitoba, the Government has taken a town of some 15,000 people and removed 700 jobs. What is the response of the Government opposite? The Minister of National Defence (Mr. McKnight) said: "We are not in the business of creating regional jobs". The Minister from Calgary Centre said that we have to look at the bottom line. This is a nation which has been built on regional development. This is a government which is turning its back on the regions of this country with cuts to VIA Rail and the whole transportation system. This is a government that is ignoring the regions.

This Government states that this Bill has some benefits for this country. It does have some benefits. It points out that it will enhance the maternity, the paternity and the sickness benefits. It is going to improve benefits to those over 65 years of age. That is true.

This Government opposite would like us to believe that the reason that those aspects of the Bill were implemented was because of its compassion for this country and its desire to help Canadians. This was one of the slickest moves which I have seen this Government do. This is a Party which is very good at being slick. It runs a slick operation.

The reason that these measures were put in place was because they were going to be forced on the Government anyway. He was already facing court actions on many of these areas. It simply decided to cut their losses and put them into this program to try to embellish itself and appease Canadians for these dastardly cuts which it has made in other areas.

I do not believe that Canadians are that gullible. I do not believe that this Government is going to get away with this. This Bill may pass but this is a Government which is now in a second majority mandate and it is feeling a little comfortable and a little arrogant. Those are attitudes for a government which finds itself in trouble when an election comes by.

This Bill affects the regions of this country. It affects Atlantic Canada. It affects northern Ontario and northern Quebec. It affects western Canada. They have all suffered under this Government. This is a Government which is failing to regard the welfare and the needs of this country.

I am truly sad to be in the House this evening because we will be voting on second reading of this Bill in a very short time and unfortunately, with a majority government on the opposite side, we are going to lose this vote.

Canadians will long remember this. Canadians will not forget this. Certainly we on this side of the House will do our best to remind Canadians of the dastardly approach and the dastardly deeds which this Government is perpetrating on this nation.

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, we are very fortunate to live in this high-tech era. We can enjoy wonders of technological ingenuity today that were inconceivable even to the last generation.

Personal computers, VCRs, word processors; all of these conveniences have become part of our daily existence. They are the result of technology which was non-existent 30 years ago.

This technology is enhancing our personal, lives but it is also affecting us in the workplace. Canadian workers must meet an unprecedented demand for skills. That demand will only increase in the years ahead.

That is why I support this legislation to amend the Unemployment Insurance Act. Bill C-21 is a major component of the Government's Labour Force Development Strategy. The key to this strategy is that it will help train Canadians in the skills they need now and in the future.

Bill C-21 has three objectives. The first is to prepare Canadian workers for existing and future labour market challenges. The second is to right some longstanding wrongs by ensuring that the Act meets the Government's commitment to employment equity and the Charter of Rights and Freedoms. The third is to ensure that UI benefits are improved and preserved for those who need them most.

• (2220)

I would like to concentrate my remarks on that third area, Mr. Speaker. This legislation proposes fundamental changes to the UI program which affect the amount of time people must work to qualify for UI benefits and how long benefits will last. It also introduces new control measures. Canada is a very generous country. This generosity extends to its social programs, including unemployment insurance. As it now stands people need only work 10 to 14 weeks to qualify for benefits depending on the local unemployment rate. These entrance requirements are among the lowest in the world. In Japan and France people must work 26 weeks during the previous year in order to qualify. But the generosity can sometimes have detrimental repercussions.

As a Member of Parliament in my riding of Simcoe Centre many constituents often tell me that this is the case with the UI program, that our UI system is a disincentive to work. Many people believe that UI encourages some people to work just long enough to qualify for assistance who then quit and collect benefits for up to a year. Now I know that the vast majority of Canadians do not fall into this category and I would never imply that they do. But it is an irrefutable fact that some people are trying to take advantage of this system and those that do think that they are beating it.

We are proposing to increase the number of weeks of employment needed to qualify for UI in most areas of the country based on a local unemployment rate. My constituents in Simcoe Centre believe this is a very reasonable approach. This means, for example, that people living in communities where unemployment is at 6 per cent will need to work 20 weeks to qualify for UI instead of the current 14 weeks. At the same time the Bill remains sensitive to the needs of those people in areas of high unemployment. People living in areas where the unemployment rate is more than 15 per cent will need only ten weeks to qualify. Where the unemployment rate is 10 per cent only 16 weeks is needed to qualify.

For seasonal workers these new provisions may sound threatening. Let me assure them that they have no reason to be concerned. You see, Mr. Speaker, seasonal workers by the very nature of their employment often collect UI twice within the same 52-week period. A current clause in the Act requires people who have already collected benefits within the past year to work from 16 to 20 weeks in order to qualify again. This is six weeks more than when they first qualify. This is known as the repeater clause. It was an onerous condition for seasonal workers and we are now eliminating it entirely. This means that seasonal workers will, generally speaking, now find it easier to qualify for UI.

This move will of course simplify administration of the UI program and as you can imagine anything that simplifies the complex administrative structure of a program like UI is welcomed by everyone involved. In fact, this legislation contains other measures that will make the program run more smoothly. One of them involves calculating the duration of benefits. The present method used to determine how long people will receive benefits is a very complicated three phase system based on a week's work and the local unemployment rate.

The proposed legislation fortunately will streamline this progress. It continues to base the duration of benefits on the number of weeks worked and the local unemployment rate but it eliminates that three phase complexity and substitutes it with a straightforward table.

We have also made necessary adjustments to the number of weeks people can collect benefits. These adjustments are again dictated by the unemployment rates in different areas. A person in Barrie where prospects abound should not need to collect UI benefits for 50 weeks. Someone on Cape Breton Island where opportunities are limited is entitled to as much income support as possible.

As well, the Government is proposing measures to deal with people who quit their jobs without just cause. It may surprise you to know that more than a billion dollars is paid out every year to people who quit their jobs without just cause. Obviously we must do something about this. The legislation deals with people who quit their jobs voluntarily, who are fired for misconduct or refuse to take a job. Under current legislation these people lose their benefits for six weeks. Under Bill C–21 they stand to lose them for between seven and 12 weeks. When they begin or resume collecting benefits they will also find their benefit rate lowered from 60 per cent of their weekly insurable earnings to 50 per cent. I think it is very appropriate that I bring up EIC at this time. As you know EICs, Canada Employment Centres, have an exemplary record in finding jobs for people and people for jobs. In my riding the staff work diligently to provide guidance and to arrange interviews and training course for clients.

Some clients do not take advantage of these opportunities and those who do not will find their benefits cut off for one to six weeks under the legislation. I must also tell you that people who find jobs before their disqualification period is up may receive a surprise if he or she collects UI down the road. The Bill also allows for any weeks of a disqualification period not served because work was found to be carried over to any future benefit period over the next six years.

Let me add that these disqualification periods may be deferred if the claimant is eligible for sickness, maternity or parental benefits. Let me also make it clear that people who quit their jobs for valid reasons such as hazardous working conditions or harassment will not be subject to these penalties.

We are also introducing new measures to discourage UI fraud. It is a matter of opinion but perhaps the worse abuse of the UI program is perpetrated by those who knowingly give false information. Unfortunately it is a fact of life and it must be dealt with. Under the Bill, employers who submit false employment information will now be penalized up to nine times the maximum benefit they pay weekly. Also anyone penalized for minor infractions can have the penalties deducted from future benefits they receive over the next six years.

As you know, people who commit major acts of UI fraud are subject to prosecution. In the past anyone convicted of the crime received a maximum $500 fine, six months in jail or both. The new legislation raises the fine to a much stiffer maximum of $2,000. These are necessary measures which will serve to make the UI program fairer and more efficient. Instituting these measures will free up $1.3 billion that will be rechannelled directly into the UI program in ways that I have indicated before. It will help thousands of Canadians who are willing to work. That is what the labour force development strategy is all about.

I have just outlined the benefit structure and control measures proposed in Bill C–21. We hope to implement the new legislation early in 1990. Only then will the funds for training programs and the new charter improvements be accessible. I trust that my colleagues in the House and the Members of that other place will give it full and due consideration.

• (2230)

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, during the election campaign, the Prime Minister (Mr. Mulroney) said, "We shall maintain all our social programs without fail." At the same time, the Minister for International Trade (Mr. Crosbie) promised that there would not be any changes to the unemployment insurance system. Let me read an October 14, 1988, article in

the St. John's, Newfoundland newspaper, *The Evening Telegram:*

> Changes in UI Program? 'Nonsense', retorts Crosbie.
>
> The federal government has no plans to make changes to the unemployment insurance program, Trade Minister John Crosbie said Thursday.
>
> "It's complete nonsense", he replied to questioning by reporters at Hotel Newfoundland following a Progressive Conservative rally for Prime Minister Brian Mulroney.
>
> But Mr. Mulroney was quoted by the Financial Times as saying the Tories will take another look at reforming the $10.4 billion a year unemployment insurance system if it wins the Nov. 21 election.
>
> Mr. Crosbie said that he had asked the prime minister about the report and he said no the government has no plans to make changes to the plan.
>
> "You're damn right I asked him (prime minister) about it.

Once again, there is another broken Tory promise. The Government has broken its promises and has cut back on unemployment insurance benefits.

Mrs. Dobbie: We have not.

Mr. Speller: Of course, they have been cut back completely.

Mrs. Dobbie: They have not been cut back.

Mr. Speller: They have been cut back. The Government is using this money to replenish the programs it cut back over the last five years by $700 million. Rather than using funds from general revenue as is normally the case, the Government is taking it away from the unemployed. I call this shameful.

This means that all workers will pay for training without any assurance that they themselves will benefit from that training. It means that labour-intensive industries will subsidize training for high-tech industries which are often capital intensive. It means that low-paid service workers will help pay for the training of high paid-high tech workers.

The Government is hypocritically using the pretext of adjustment to finance its deficit reduction plan at the expense of unemployed Canadians. The Prime Minister and his Government are taking away $2 billion from unemployed Canadians. While the unemployment insurance expenditure reduction will be effective almost immediately, the entry level training program will be phased in over a four-year period.

Under the present unemployment insurance program, workers in firms pay into a fund knowing that money will come back to them in the form of benefits if they become unemployed, sick or pregnant. Now, under this proposal, they have no assurance that money will be paid back or that any money will come back to them at all.

According to the program, for example, $230 million will go for training activities in the private sector. Part of this money, $65 million, is for human resource planning. This is a good thing and one wonders why it has not been going on over the last four or five years. Once again, money will be used from the unemployment insurance fund, money that was available for workers when they were laid off, to pay for the human resource planning.

A strong labour force development strategy depends on a sound full employment policy that supports research and development, post-secondary education and literacy initiatives. The more basic education a person has, the easier it is to train him or her. That is just common sense. Given that, in the near future, almost half the new jobs will require more than five years of combined education and training beyond the completion of high school. The Government should be developing a comprehensive full employment policy and increasing, not decreasing, its support for research and development, post-secondary education and literacy.

The Government has announced new training initiatives without consulting with the provinces and without any kind of mechanism to monitor this training. Without such consultation, the Government cannot satisfy Canadians that the training programs will meet the needs of the economy and that the quality and standards of the training will be high enough to meet the challenge.

The Government is shifting the financial burden to the provinces. This is clear throughout this Bill. The provinces will be required to extend their work projects in order for workers to become eligible for unemployment insurance benefits or will need to extend social assistance to those unable to find additional work to qualify for unemployment insurance. In either case, the prov-

inces are faced with additional expenditures without any prior warning.

The federal Government has yet to make available impact studies which would indicate the number of workers who will be adversely affected by these changes. It is no wonder. I believe that the numbers would be staggering.

Already, British Columbia and Quebec have acknowledged that the changes could result in increased social assistance costs. Mr. Buchanan from the Province of Nova Scotia has said that this will definitely increase his province's costs.

The changes to unemployment insurance will adversely affect the rural Canadian economy. Let us take, for instance, my riding of Haldimand—Norfolk. There are towns in my riding in which the unemployment rate is staggering. It is nothing like the southwestern Ontario unemployment rate of somewhere in the neighbourhood of 8 per cent. There are places in my riding with unemployment rates of anywhere between 15 per cent and 20 per cent. Under this Bill, my riding is considered to be part of the Niagara Peninsula so the number of weeks required for eligibility will be increased. That is shameful and nowhere in this Bill is this problem addressed.

These additional wages that firms will pay because of this Bill will increase their costs, and as a result will increase the cost to consumers. These firms will be less competitive as well. If they compete on the international market, firms could suffer economically because of these increased costs.

Unemployment insurance benefits have always served as a stabilizer in communities where there is high unemployment. Unemployment insurance benefits stimulate local economies and keep local businesses alive. A reduction in these benefits will adversely affect local businesses and entire local economies.

While training is a good thing in itself, one cannot train someone for a job that does not exist. Often in rural communities, there is one industry. Alternatives are not available. If these people get trained, they will have to move out of the regions to find employment. The Government has chosen to increase mobility funds to help workers move to areas where there are employment opportunities rather than to create a comprehensive regional development policy. As my friend from Dartmouth said today, the Government is asking people to move west or to Toronto, to move where the jobs are, instead of bringing in creative, innovative programs which will help address the needs of the unemployed. The Government should have examined the entire unemployment insurance program in depth and considered changes in the context of comprehensive income security instead of adopting such punitive measures.

On page 30 of the budget papers, the Government stated that it will continue to contribute to the financing of programs in difficult economic times when it is inappropriate to raise premiums and prudent to allow deficits to build in the unemployment insurance account. We should not have to point out to the Government that we are in poor economic times now and that to aggravate the situation, the Government is shirking its responsibilities by absolving itself from contributing its share to unemployment insurance benefits.

Let us examine current employee–employer contributions and then compare them with the changes announced in the Budget. Currently employees pay $1.95 per $100 of insurable earnings to a maximum of $11.80 per week. Currently, employers pay $2.73 per $100 of insurable earnings to a maximum of $16.52 per week.

As of January 1990, the Government will no longer contribute to the unemployment insurance fund. Employees and employers will pay extra to cover the increased costs. In 1990, employee contributions will increase to $2.25 per $100 of insurable earnings to a maximum weekly contribution of $14.29. This maximum weekly contribution is $2.49 more than employees are currently paying or $129.48 more per year.

In 1990, employer contributions will increase to $3.15 per $100 of insurable earnings to a maximum weekly contribution of $3.48 more than employers are currently paying or $180.96 more per year. We know who is paying for the mismanagement of the economy over the last few years. It is the employers and the workers of the country, and that is shameful.

• (2240)

Let us analyse the situation in light of the new changes. The premiums paid by employees and employers have increased substantially. The Government points out that the increase from $1.95 to $2.25 per $100 of insurable earnings is still lower than the rate employees paid in previous years. That is true. It was $2.35 over $100 of insurable earnings paid in 1985, 1986, 1987, and 1988. However, the Government has failed to show that it has also substantially increased the maximum weekly insurable earnings so that the maximum weekly contribution by employees will increase substantially. This is shame-

ful.. Employees will now be paying almost $130 more per year in unemployment insurance premiums.

The Government predicts that the cost of its unemployment insurance expenditures for 1989 will amount to approximately $2.9 billion. By abdicating its responsibility to pay unemployment insurance contributions, the Government is forcing $1.2 billion in additional premiums to be paid by employees, and $1.7 billion in additional premiums to be paid by employers. By eliminating its contribution, the Government has stated to people in regions most in need, and particularly to fishermen, that it can no longer contribute to their well-being. The Government has cut adrift those most in need.

My friend, the Hon. Member for Dartmouth (Mr. MacDonald) explained that quite adequately in his speech earlier. I thought it was a wonderful speech, and one of the best that we have heard in the House on this matter.

During the 1988 election campaign, Tory Members of Parliament went across the country and stated that social programs would not be affected, that free trade would have no effect on our social programs or on our unemployment insurance program. We have seen the results. This Government brought in a program which, quite frankly, I believe was made up by the Minister for International Trade at the whim of the Americans who stated that we could not have government contributions to the unemployment insurance system in Canada. The Minister for International Trade said: "Yes, Sir, Mr. President". Once the Government had made all those promises, the promises are broken.

Employees will now pay higher premiums and receive benefits for a shorter duration. Typically, with the Government it is now pay more for less. It is Tory math.

Ordinary Canadians cannot afford this increased burden. Those Canadians earning less than $30,000 a year paid 58 per cent of all employee premiums in 1986. Those earning $50,000 to $100,000 paid only 7 per cent of all employee premiums in 1986. Is that what the Government calls fair? I do not call it fair. Again, the Government is reducing the deficit on the backs of those least able to pay, and on the backs of those regions less able to vote in the number of Members that will help defeat the Government. That is Toryism. The Government picks on eastern and rural Canada. Those people will be most affected by this program.

The unemployment system is regressive by nature. In 1990, the premiums are capped when income reaches $33,020. Even with this range, the tax is not progressive, since it is set at a flat rate.

Instead of increasing the rates on low and middle-income workers, the Government could have funded the unemployment insurance program by removing the cap on the premium rate, so that a person making $100,000 would pay $2,250 a year in premiums instead of the current $784. We believe that a person who makes $100,000 should not only have to pay $784 as a maximum premium.

Where will corporations get the money to pay the tax? From reducing payments to shareholders? Not likely. Raising prices and getting it from customers, or cutting costs and getting it from employees seems more realistic. Those in the weakest economic position will bear most of this tax. Of almost $7 billion of tax increases, including the unemployment insurance changes, less than $1.5 billion are progressive. The rest are regressive, and sometimes seriously so.

The Government and the Prime Minister have termed social programs as a sacred trust. The Prime Minister has now reneged on his word with a brutal attack on the unemployment insurance system. It has taken $1.3 billion from the unemployment insurance fund and has not said how many workers will be affected. We have not seen any studies. I doubt if the Government knows what the studies show. In fact, I do not know if the Government has conducted any studies. Perhaps the Government is hiding them.

How many will lose benefits? How many will go without unemployment insurance? The Government has not stated what regions of the country will be hurt the most.

It is interesting to note that between 1984 and 1989 employment and training programs were cut by some 30 per cent by the Government, from $2.2 billion in 1984 when the Liberals left power, to $1.5 billion in 1989. That is a reduction of some $700 million.

On April 11, the Minister of Employment and Immigration (Mrs. McDougall) announced that she was putting $800 million back into the program, almost the same amount that the Government had taken out. We have yet to see a penny. The Government is fixing a problem that it created in the first place.

Time after time Members of the House have heard petitions from one coast to the other that we ought not to proceed with the proposed changes to the unemployment insurance fund which will disentitle up to one million Canadians from receiving unemployment insurance benefits.

Canadians are opposed to the so-called harmonization of unemployment insurance to conform with the Free Trade Agreement. This will destroy the historic role of unemployment insurance in this nation. Our system is the envy of many countries around the world, including the United States. The present Government is dismantling the foundation of our social structure which was built upon a sacred trust.

Canadians will not forget what the Government is doing. Next time at the polls, Canadians will not let the Government forget what it has done to them.

Mr. Ken G. Hughes (Macleod): Mr. Speaker, I am very pleased to rise this evening to speak on this most important piece of legislation.

Last fall, as I campaigned throughout my riding of Macleod, people frequently asked me: "When is the Government going to do something to reform the unemployment insurance system?" I am proud to be able to say to my constituents in Lundbreck, Pincher Creek, Vulcan, and other communities that the Government has taken positive, concrete, and well-considered steps to change the UI system to make it more responsive to the real needs of Canadians.

Bill C-21 in a very progressive way changes the nature of our unemployment system. Now, unemployment insurance will be used to train and prepare workers for a job. As the Right Hon. Prime Minister (Mr. Mulroney) stated: "The best social program is a job". My constituents and I fundamentally believe that this is an essential principle.

The world is changing. I know Members and colleagues opposite do not like to admit that, but we are entering a time of truly global change.

• (2250)

We are entering a truly global economy and Canada's workforce must be prepared to meet those challenges. In coming years Canada is going to require a highly skilled workforce. We are going to need a well trained and highly productive labour force if Canada is to achieve her rightful place in the global economy.

My constituents recognize that we need a better educated work force and more skilled employees. However, according to a study performed by the Canadian Federation of Independent Business last year, almost one-half, about 43 per cent of Canada's small businesses complain that they cannot find appropriately skilled help. Indeed, Canada currently spends half as much on training and skill development per capita than does the United States. We cannot allow this situation to continue. We must begin a vigorous program to educate and help Canadians train themselves so that we can compete with the rest of the world.

Bill C-21 goes a long way toward addressing this very serious problem. Currently only 2 per cent of UI expenditures are on training Canadians and preparing them to find a job. This Bill proposes to shift the spending priorities of the UI fund to direct up to 15 per cent of spending to preparing Canada's labour force, giving individual Canadians the chance to learn, to build their future through training and skill development. That is for moms, dads, sons, and daughters. I think that is a very positive initiative.

Indeed, through our labour force development strategy the Government will work with and stimulate the private sector to double its commitment to training from $1.4 billion to nearly $3 billion by 1994. That is double the investment in Canadians, double the investment in skills. That is a real commitment to people.

We are talking here about reallocating UI funds. We are talking about renewing Canada's priorities and looking to the future. I know that my colleagues opposite do not always like to look to the future. They like to paint a much more bleak future. We are talking about preparing

Canadians for the challenges that a competitive workforce is going to create.

This Government is not creating that international competition. It is simply allowing Canadians the opportunity to respond to the pressures which we face internationally.

This Bill proposes to change the schedule of benefits under UI to make it more responsive to varying regional unemployment rates. Not only will this legislation achieve this goal, but it will also free up resources within the UI fund to be spent on training. Almost $1.3 billion will be redirected toward training, providing benefits to older Canadians, and increasing maternity or parental benefits. I am sure all Members of the House will agree that these are important and laudable goals.

At present, once an employee reaches the age of 65 he or she is no longer eligible for assistance from the UI fund. Indeed, if an employee turns 65 while collecting benefits, those benefits are immediately cut off. My constituents have expressed to me that they found the situation intolerable. I am pleased to see this Bill before the House since this unfair and previously discriminatory provision in the UI system will finally be removed. This Bill will extend UI coverage to older Canadians who choose to delay their retirement.

More than this, the changes as a result of this Bill to the UI system will enable the Government to develop a $100 million program to help displaced older workers. We will be assisting older Canadians to advance their skills, to retrain, and, if necessary, to upgrade their education.

I cannot stress enough how important this issue is. I have talked to constituents on the streets of High River and other communities in southern Alberta. I cannot count the number of people who have mentioned the special difficulty faced by older Canadians seeking work. This is a very fair, compassionate and practical measure.

This Bill will also provide much needed assistance to Canadian families. These are challenging times in which to raise children. I know that the Government should continue to provide support to Canadian families. Changes to our tax system have allowed parents more flexibility in choosing how to care for their children. This Bill and the changes it will bring to the UI system reflect the Government's continuing commitment to help strengthen Canadian families.

A full $450 million has been earmarked for maternity or parental benefits. Like other initiatives the Government has taken, parents will have more flexibility in how they choose to care for their new-born baby. Canadian families will be able to count on having as much as 30 weeks of UI benefits to help them through the financial struggle of having a child. It will also provide more flexibility to the system so that potentially both parents will have an opportunity to be with their youngster during those exciting first few weeks.

Mr. Wappel: What a joke!

Mr. Hughes: My colleague mentions jokes. I note this for interest because colleagues opposite talk of how reallocating UI funds is not acceptable to them. It is nothing new. The Opposition which today is so strongly against this idea are members of the Party which was involved in changing the allocation of UI funds in the first place.

Let us go back to 1976. The Minister of Manpower, Bud Cullen, said: "Amendments will also allow us to take a more positive approach to unemployment through resource allocation. It will permit experimentation with the use of unemployment insurance funds for programs of training, work sharing, and job creation". Today, the crowd opposite tries to oppose these very kinds of principles. It is remarkable.

I turn my attention to another important aspect. As part of this Government's efforts to assist areas experiencing unreasonably high unemployment, the Community Futures Program was developed. In my riding of Macleod, just as one example, there are areas, as there are in other parts of the country, in real need of economic development and diversification. The Government has made long-term substantial commitments to provide assistance to these areas.

For example, in the Crowsnest Pass, which includes a number of communities, the Government has committed over $2 million to the Business Development Centre of the Crowsnest Pass Economic Development Board.

The Government has also committed $400,000, approximately, to the Crowsnest Pass through the Self-Employment Incentive Program, a very practical

program designed to help unemployed workers test new business ideas.

In the northern end of my riding, the Highwood Economic Development Corporation, which serves the Municipal District of Foothills as well as the County of Vulcan, is administering and investing $1.9 million over five years from the Community Futures Program. These programs are providing realistic responses to genuine needs.

The Government has renewed and invigorated its commitment to the Community Futures Program. The changes we are proposing to the unemployment insurance system will result in an extra $50 million every year for the Community Futures Program. This will ensure that this very important program will continue to provide areas of higher unemployment with assistance to diversify and develop their own economies.

I know how important this program has been in my own riding. I am sure that all Members of the House are pleased that the Community Futures Program will now have more resources.

I confess, my constituents have often told me that they feel the UI system is being abused. This is regrettable. They feel cheated and angry when they see some Canadians quitting their jobs without just cause and taking advantage of UI benefits.

• (2300)

Some Hon. Members: Oh, oh!

Mr. Hughes: These voluntary quitters cost the UI fund and the people of Canada—

Some Hon. Members: Come on.

The Acting Speaker (Mr. Paproski): Order.

Mr. Volpe: Even the Speaker is cutting you off.

The Acting Speaker (Mr. Paproski): I know it is the summer solstice and I realize that this will be the longest day. I hope we could get finished without getting too warm in this Chamber. The Hon. Member for Macleod has the floor for another nine minutes.

Mr. Hughes: This may be the longest day, but this will not be the longest speech.

It is regrettable that Canadians should feel cheated and angry when they see others taking advantage of the system. I think the people of Macleod are justified in getting angry.

This Bill will amend the Unemployment Insurance Act to make it more difficult and less tempting for people to take advantage of the system.

An Hon. Member: Less tempting?

Mr. Hughes: The Bill proposes that workers who voluntarily quit their jobs will not only have their benefits delayed, but they will also receive a reduction in the over-all level of benefits. As a result of this Bill, people seeking to take advantage of the unemployment insurance system will be disqualified from receiving benefits from seven to twelve weeks. Once their disqualification is over, they will receive benefits of only 50 per cent of their insurable earnings.

This Bill also substantially increases the penalties for both employers and employees who try to defraud the UI fund. This is as it should be.

When the unemployment insurance system was set up in the 1940s, it was designed to provide temporary assistance to unemployed workers. The UI fund was not created to replace other forms of social assistance. It was created to assist workers in getting through tough times of unemployment. This Bill represents a return to some of the fundamentals of the unemployment insurance system, and the people of Macleod whom I represent are pleased that these changes are taking place. They are pleased that there will be less abuse of the system. They look forward to the training programs, the economic development programs, and the maternity parental benefits provided by this Bill.

They are pleased that the UI system will no longer discriminate against older Canadians. They are glad that the Government has had the guts to undertake these reforms and start to put the UI fund to work for all Canadians.

The people of Macleod firmly support this important initiative of the Government. The Government is taking positive steps with these unemployment insurance changes. We are talking about investing in individuals. We are talking about investing in moms, dads, sons, and daughters. We are talking about Canadians who have aspirations to get ahead and use their own strengths to earn a living and meet their own challenges by investing in themselves to make a constructive and a real contribution to Canadian society.

If Canadians seize this opportunity and take up this challenge, the result will be that all Canadians will share in a greater wealth and a stronger future.

Mrs. Shirley Maheu (Saint-Laurent): Mr. Speaker, I rise to debate the Bill before the House of Commons today. It is with great sorrow that I witness one of the cornerstones of Canada's social fabric dismantled, or should I say destroyed, by the Conservative Government. It is painfully clear that the purpose of Bill C-21 is to cut back radically on Canada's unemployment insurance system and, in effect, privatize our oldest social program which has served Canadians well since 1940.

One must not forget that the UI system was brought into being as as result of the devastating effects of the Great Depression of the 1930s on our society, to ensure that no Canadian would have to suffer such hardship ever again.

It is because of this compassion toward the human condition that Prime Minister Mackenzie King instituted this national insurance scheme. Unemployment insurance was brought into being to make absolutely certain that no one would starve, lose their home or loved one as a result of losing a job. This deep caring for humanity is deeply embedded in the Liberal Party tradition.

[*Translation*]

It would be wrong to say that we in the Liberal Party do not want the Act changed, amended or improved. In fact, Mr. Speaker, in 1955 and 1971, under Liberal Governments, amendments were made to bring this legislation up to date with the needs of the time.

However, Mr. Speaker, that is not what this Bill proposes. As presented by the Minister of Employment and Immigration, this Bill threatens one of the main pillars of this country's social security network. Indeed, the Minister dares to go ahead with this Bill, even after she claimed in the last election campaign that if she and her party were returned to power, no social program would be privatized.

Mr. Speaker, it is really a shame that Canadians have been misled by this Minister and her party, and I can assure you that next time, they will not be fooled.

[*English*]

Millions of Canadians are asking themselves why the Government has decided to go back on its election promises. People are asking themselves why Canada's sacred trust has lost its sanctity with the Progressive Conservative Party.

In my opinion and that of my Party, there are three reasons why the Government has adopted this policy. The first reason is rather clear, given the contents of the Minister of Finance's leaky Budget. In an inappropriate manner, the Government is using the proposed Bill C-21 as a means of cutting Canada's national debt, 50 per cent of which was accumulated during the time the Conservatives have been in power. That is a fact Members opposite would conveniently like to forget.

We have frequently seen the Government's total lack of caring or understanding of average Canadians. The provisions of this Bill are the worst example of that fact. What the Minister is doing, along with her colleagues in Cabinet, is attempting to cut the deficit on the backs of the unemployed. Instead of strengthening the Canadian unemployment insurance system, the Government is cutting its commitment in a futile deficit reduction exercise. Instead of choosing a more logical means of cutting the deficit, such as taxing profitable corporations and cutting back on waste and inefficiency of government, the Minister is attacking those Canadians who have the least to offer.

The Minister is taking the money that would have gone to pay for the rent, food, and other basic necessities and allocating it for training programs. I would have been supportive of the creation of new skill training programs, but not at the expense of funds that are supposed to help people survive while looking for employment.

It is a strange set of priorities that the Minister is displaying. Instead of understanding the cyclical nature of poverty and the fact that basic assistance is needed to sustain life while individuals are unemployed, she is offering obscure and abstract training programs that will some day enable people to sustain themselves. What these people need is assistance to get by until they can find real jobs with real potential.

• (2310)

[*Translation*]

The second reason this Government brought forward this Bill has unfortunately become too clear following its election. Undeniably, Bill C–21 is a first step leading to a plan for the giants of the business world to move to free trade. By withdrawing from the unemployment insurance program, the Canadian Government is doing what the American Government wants, because the U.S. Government will not be able to take reprisals against us on the pretext that Canada uses unemployment insurance to subsidize its workers.

[*English*]

The Bill will be even more damaging when considering it in the light of free trade. By pulling out of UI, the Government of Canada has asked Canadian workers and employers to fill the $3 billion void caused by its absence.

This will result in either a higher unemployment rate, caused by employers reluctant to pay this hidden payroll tax, or it will lead to a powerful lobbying effort on the part of big business to be exempt from paying the unemployment insurance premiums because of their need to have a balanced playing field with their United States counterparts.

While corporations get larger and more profitable, average Canadians have to pay the price in terms of wages and social insurance. Knowing how close big business is with the Conservative Party, one can only wonder how long it will be before unemployed Canadian workers will be asked to foot the entire bill for unemployment insurance.

The last reason the Government has decided to implement this new unemployment insurance policy is its misguided Conservative ideology. Unfortunately, the majority of the Members opposite believe that a caring and compassionate social welfare system will lead to a greater degree of laziness. This archaic view of individuals who must take advantage of various social schemes is reprehensible in a country like Canada.

The majority of Canadians are tired of listening to the rantings of the dinosaur club and its talk of welfare bums when the actual number of people abusing the system is far below levels articulated by Members of the Government.

The statistics speak for themselves. The number of individuals caught cheating on the unemployment insurance was 5,507 out of 2.4 million Canadians who use the UI system. This represents only 0.2 per cent of the total number of Canadians who use the system. This is to edify the Hon. Member for South Shore.

Only 6,215 people have refused jobs found for them through UI. This represents only 0.25 per cent. Both these categories together represent less than half a percentage point of all individuals using the system. Despite this fact, the Conservative Government is still intent on characterizing by its statement that abuse is rampant in the system all people dependent on government assistance as ungrateful welfare bums.

That ideological bend is a major force behind this Government's withdrawal from unemployment insurance and a strong motivater for the severity of this Budget. This Government should learn from international examples that progressive unemployment insurance schemes go hand in hand with low unemployment rates. Social democratic countries such as Sweden, Austria, and Switzerland have some of the most progressive UI plans in the world and an unemployment rate below 5 per cent.

In fact, the average unemployment rate in Canada during the 15 years of Liberal Government preceding the global recession was 5.6 per cent. That puts into real perspective the fact that the Conservatives have not been able to bring the unemployment rate below 7 per cent once in the five years they have been in power. So much for the Government's record. The only place in Canada where full employment exists is in the overheated economy of Metropolitan Toronto.

It seems that this Government would be more than pleased if people from Corner Brook and Sydney moved to Halifax. They would be more than pleased if people from the Gaspé and the Saguenay moved to Montreal. The provisions of this Bill will make staying in the economically depressed regions of the country even more difficult.

The Minister of Employment and Immigration has stated that Bill C–21 still maintains the regional sensitivities to allow people from remote areas of Canada to stay in their homes. This is simple nonsense. If we look at the figures, we can see that in every region of the country the requirements for eligibility have increased. Also, the Tory Government seems to be sending an odd signal. In previous years, in an area of low unemployment, one needed 14 weeks to qualify for benefits. Now 14 weeks will qualify one only in regions where the unemployment

rate is between 11 per cent and 12 per cent. How absolutely scandalous. Instead of facilitating an easy transition back into the workforce, the Tories are going to penalize you if you do not take the first employment opportunity that comes your way. It does not matter if you are a skilled professional, the Conservative Party would rather see you flipping hamburgers than looking that little bit extra longer for work that will lead you to a career in which you will be best able to contribute to Canadian society.

When is this Government going to create those jobs that will help sustain families at a decent level, instead of perpetuating their misfortune and increasing the number of working poor?

[*Translation*]

Now see how Bill C-21 will affect Québec. Under the present system, Québecers paid $2.5 billion in premiums and collected $3.3 billion. Obviously, on looking at these figures, we must revise and improve this program. By withdrawing from the unemployment insurance program, the Government is forcing employers with a large labour force to make up the difference.

In Québec, this will mean $100 million more will have to be spent by the Government, given the large number of employed workers.

Mr. Speaker, again, taxpayers, particularly those in Québec, will pay the bill for the lack of federal financial assistance in this area. All employers in Québec will have to pay more, to compensate for the measures in the Bill.

[*English*]

No matter which way we look at it this is a bad government policy. By shortening the number of weeks for benefits and increasing the necessary time for people to qualify, the Conservatives are offering Canadians more options.

When benefits are cut and the person is still unemployed, he or she will either have to go on provincially funded welfare programs or join the increasing number of Canadians who must rely on bread lines and soup kitchens for food and shelter. Unfortunately, that is going to be the legacy of the Conservative Government.

I know that Members opposite are going to claim that I am against job training programs. Nothing could be further from the truth. Liberals are not opposed to job training. In fact, from 1984 to 1989 the Tories have cut the funds for training programs from $2.2 billion to $1.5 billion. It is only now that they have taken from the funds designed to pay for the necessities of life that the training spending is back to its original level. As a concerned citizen I find this option most regrettable.

In an interview the Minister for International Trade said last October that the Government had no intention of cutting the unemployment insurance system. He even told the press that the Prime Minister was in full agreement with this position. I would like to know from the Hon. Minister what has changed between then and now to prompt such a devastating attack on our social programs.

It is obvious that the Conservatives have broken yet another of their election commitments. Might I add that Canadians will not forgive them again. The people of this country are tired of listening to the empty rhetoric of this Government. Canadian people need a Government that cares about their needs and is willing to respond not merely through words but through actions.

Bill C-21, if passed, will be disastrous for Canada. It will contribute to a greater division between the rich and the poor and will lead to a tremendous burden on our provinces. It creates a situation in which government is withdrawing from UI and, by doing so, privatizing one of the most important aspects of Canada's social security network.

• (2320)

[*Translation*]

Obviously, Mr. Speaker, and I conclude on this point, the only recourse, the last resort for Canadians will be welfare. It is scandalous, Mr. Speaker, to force people to such a solution!

[*English*]

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, we are here tonight to debate Bill C-21, an Act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Com-

mission Act. First reading of the Bill was on June 1 of this year. We in the New Democratic Party oppose this Bill and will oppose it with all that we have throughout this debate and for as long as we can. Of course tonight closure has been imposed and in just a few hours we will be voting on second reading of the Bill.

The Government has introduced what I believe to be two very important and negative pieces of legislation since I was elected on November 21. The first of those important and negative pieces of legislation was the Bill to implement the free trade deal. I remember standing in this House about nine o'clock on one of those evenings before Christmas speaking to a lot of Canadians who I know were not watching because of the time of day. Once again I find the same thing on a very important piece of legislation affecting a great number of people. I am standing here in the House late at night debating something that the people of Canada should be hearing during the normal course of the business day.

I am very happy to be talking about this Bill because there are a lot of things that I think need to be changed which are not addressed in this piece of legislation. I am a very active Member of Parliament. I have a lot of contact with my constituents. I deal with their cases on a very personal basis, be it unemployment insurance, immigration, visa matters or even social assistance cases. I am more than happy to sit down in my office and help them through their problems.

I have dealt with quite a few people who have difficulty with the unemployment insurance program. I have a lot of contact with the unemployment insurance offices in my riding, one in North Battleford and one in Meadow Lake, Saskatchewan. The people who work in those offices are very dedicated individuals working hard to administer a very difficult and flawed program. This legislation is going to make their job much more difficult, and it is going to make the people they are dealing with much more angry.

I have listened to quite a number of speeches tonight from government Members who have talked about the need to change the legislation because of the way in which the current system is being abused. I have heard Members on this side of the House correct Members on the other side of the House by indicating that the abuse rate of the unemployment insurance program is less than 1 per cent. I know from dealing with people in my office that the people who are having difficulty with the unemployment insurance program as it exists today are not abusing the program. They are in desperate need of the program, and they are in desperate need of improvements to the program.

I want to cite a particular case with which I am just finishing. It first came to my attention on April 27 of this year. A young woman in my riding had left her place of employment in early April. She had a very good reason for leaving her place of employment, but there was some difficulty in communicating that information to the people at the Canada Employment Centre who were administering the unemployment insurance program. To make matters very simple, it was a dispute with her employer.

On April 27, after a couple of weeks of receiving no satisfaction in dealing with the office and getting her claim settled, she finally achieved eligibility for benefits under the program but was disentitled in her first week of benefits because the workers at the unemployment insurance office questioned her about her child care arrangements in her family circumstances. She lives on a farm a few miles out of town and on one day she had difficulty getting a caregiver to look after her young infant when she had a job interview. Canada Employment disentitled her for benefits because, they said, she had inadequate child care arrangements. That was on April 27 when she came to see me.

After we investigated her claim and discussed it with the people at the Canada Employment Centre, she was put back on the benefit roll, but because of her disqualification she was penalized four weeks. Since she could not serve the disqualification at the same time as the disentitlement, she served the four weeks from April 28 and then had to serve another mandatory two-week waiting period, which has to be served by all UI claimants before the benefits would be paid.

If we add this up we find a young woman in an area where jobs are hard to find with a young child at home, unemployed, with no income at all for 10 weeks as a result of the problems with the existing program. She is back on benefits and she will get her first cheque on June 23. The Canada Employment Centre has recognized that

she is entitled to benefits and she should have been entitled to them on April 27.

The current program has failed this individual and the changes in this legislation would further penalize my constituent, whose case I am only now managing to get on to the entitlement roles. Clause 21 refers to subsection 30(1) of the Act. It talks about penalties for disqualified claimants, and we find that they have increased substantially. We also find that in a case of sexual harassment if a person quits without complaining loudly, simply walks away from the job because the person does not want to go through the hassle of laying sexual harassment charges, the penalties are imposed even though this is considered a good enough excuse to quite one's job. Under the old system the maximum penalty was six weeks. Under this Bill the maximum penalty is from seven to twelve weeks.

My constituent, a young woman with a child, living on a farm, looking for employment in an area where employment is hard to find, would have been without funds not just for 10 weeks but maybe up to 20 weeks. I think that is a very mean-spirited and horrendous situation. That is what the Government is doing to some people in this country.

• (2330)

I listened with interest to some of the speeches which were made on the other side of the House tonight. The Hon. Member for South Shore (Mr. McCreath) earlier mentioned about those who cheat the system and the necessity of stiffer penalties. The problem is that if there are people out there who are cheating the system, we should have people who are employed by the system to find the cheaters and deal with them. Nobody in this world or in this country believes that cheaters should profit.

What we have is a public service which is not well supported. It is dealing with a very poor program, with too many people. It does not have time to deal with those people who are cheating the system. We should not penalize the needy in order to find those who are abusing the system. We should maintain the system, improve the system, and go after those few people in this country who are abusing it. If less than 1 per cent is abusing the system, we should not make it difficult for the other 99 per cent who need the program.

The speaker who spoke before the speaker ahead of me made an interesting comment. He said that this legislation was going to benefit all Canadians. I certainly hope not because that would mean that the Tory policies are working and we all be unemployed. There will be 100 per cent unemployment in this country. If that is what the people on the other side are looking for, then certainly they need legislation to benefit all Canadians.

There are quite a number of things I wanted to say tonight for the benefit of some of the people in my constituency who I know are very interested in what this program is all about. I have a few things to mention on the development of the Unemployment Insurance Program in the country. Before doing that, I wanted to remind the House of the words of my Leader of not too long ago, the New Democratic Party Leader, the Hon. Member for Oshawa (Mr. Broadbent). He said that it was funny the way this Government operates. You have to give money to the corporations to keep them working, but you have to take it away from the poor to keep them working. It is an interesting comment which fits right into the nature of this legislation in front of us today.

The Unemployment Insurance Program in Canada was originally introduced in 1935 with the Bennett Government's Employment and Social Insurance Act. The Act was struck down as unconstitutional in 1937.

In 1940 a provincial agreement was obtained to have the measure accepted as a federal responsibility. From that point on, 1940 until the early 1970s, the program generally expanded with new criteria such as regional benefits, sickness and maternity benefits, and other benefits added to the program.

From the mid to late 1970s the Liberal Government began to undermine that program. General benefit levels were reduced. Family benefits were eliminated, and obstacles placed in the way of new entrance and re-entrance to the workforce.

Not surprisingly, prior to the Conservatives taking over from the Liberals in 1984, the Conservative Government made no mention of the unemployment insurance system during its successful 1984 election campaign. The present Prime Minister's strongest statement on social policy at that time was made during the Leaders' debate when he indicated that no programs protecting

people would be touched by a Government under his control.

After the election the unemployment insurance system became more important to the Government and was mentioned both in November in an economic statement and in the May 1985 Budget. The 1984 economic statement sliced $300 million from the program through changes to definitions of income and other changes.

In July 1985, the Government announced the creation of the Forget commission to provide an assessment of alternatives to the unemployment insurance system. The commission had both business and labour representation. When the commission reported in December 1986, it was utterly split with the labour representatives submitting a minority statement of unprecedented proportions at that time.

The two key recommendations from the commission's majority were the loss of regional benefits and the annualization of benefits. The commission claimed that these changes would make the system fairer by giving all Canadians access to 50 weeks of benefits. These benefit levels would be based on average weekly wages over the past year, rather than on average wages over the previous 10 weeks.

The actual impact of these changes would have been drastic cuts in benefits. This system would have seen an over-all cut in benefits of 30 per cent. Newfoundland and Prince Edward Island would have seen their benefit levels fall by more than 50 per cent. We have heard some statements tonight about the impact of this current legislation on Atlantic Canada. The commission suggested that these cuts be replaced by a completely undefined set of income supports.

The Government was clearly not comfortable with these recommendations or its timing. Its major power base in Quebec would have lost $1 billion under those proposals presented. The Government reacted by referring the recommendations to a standing committee which completely rejected the commission's proposal in its March 1987 report. The committee Members had to go home to their constituencies and face real problems with real people. They actually recommended improvements in the system.

In the end the Government whose mind was focused on an impending election did nothing. Not surprisingly, the Prime Minister (Mr. Mulroney) also chose not to make the Forget report nor unemployment insurance reform a part of his election platform in 1988.

The New Democratic Party position on unemployment insurance is reflected in a presentation by our colleague for Nickel Belt to the Forget commission entitled *Back to the Future*. That document generally called for the liberalizing of the program and an improvement of benefits.

We have also called on the Government to pay for the training programs out of general revenues and not out of the funds submitted by employers and employees. To a large degree, unemployment insurance is an insurance program paid for by workers and employers. As a tax measure to pay for other programs it is extremely regressive and should not be used.

The New Democratic Party supports both of the cases which came out of the courts and led to some of the changes which we support within this legislation. We previously opposed the elimination of those over 65 from the program. We have consistently called for better parental benefits as they are envisaged in the Federal Court decision dealing with the rights of natural fathers.

I touched briefly on the insurance program. Let us make no mistake that at its core unemployment insurance is an insurance program. It is not a social assistance program. It is designed to ensure that working Canadians are able to look after themselves and their families during personal difficult economic times. It is with this in mind that employees have permitted money to be deducted from their cheques.

In so doing working Canadians believe that just as the money they contribute to pension programs will be there when they retire, money they contribute to the Unemployment Insurance Program will be there for them and their families should they lose their job. It is also with this in mind that we should examine carefully all that is within this Bill C-21 now before us in the House of Commons.

Thank you for the opportunity to speak tonight, Mr. Speaker. I see you are motioning that my time is up. I appreciate the opportunity to speak. I wish everyone well here tonight in convincing the Government to withdraw this Bill and go back to the drawing-board.

[*Translation*]

Mr. Nic Leblanc (Longueuil): Mr. Speaker, it is with great pleasure that I rise in the House this evening to speak to Bill C–21, even if it is already 11.40 p.m. and today happens to be my 20th wedding anniversary. However, my wife said I could work late.

Mr. Speaker, I want to thank you for giving me this opportunity to speak to the House.

Bill C–21 is adapted to the 1990s. It is adapted to today's needs.

Since 1984, this Government has been working very hard and very sensibly on training and job creation programs. Since 1984, we have created 1,500,000 new jobs in Canada. This proves our Government is doing the right thing, and I can assure you that Bill C–21 is a piece of legislation that will pursue this sensible approach, as we said during the 1988 election campaign.

• (2340)

I want to congratulate the Minister of Employment and Immigration (Mrs. McDougall) who this legislation has given a new stimulus to job creation, and I will explain why in a moment. Canadians want to work. Canadians don't want to be on the pogey and they don't want to be on welfare. Earlier, I heard the Minister for Saint–Laurent say that only 2 per cent—

An Hon. Member: The Member!

Mr. Leblanc (Longueuil): The Hon. Member for Saint–Laurent (Mrs. Maheu) told us only 2 per cent of the unemployed did not want to work and were constantly shifting from unemployment to employment and would rather be on the pogey than work. However, 2 per cent of the unemployed equals $1.1 billion the federal Government can save. And I think these people don't deserve to be on the pogey. As a Conservative Member, I say that is very important and I think it is worth considering.

Mr. Speaker, for better or for worse, we are part of a system that is undergoing major technological changes. I say for better or for worse, and unfortunately, jobs are being lost as result of advanced technological change, but on the plus side, we need more highly qualified workers.

I will give you an example of administrative jobs. Typists are often replaced by computers or word processors, and of course these jobs have to be replaced. But where? Is there any connection? There is, in that computers have to be manufactured.

However, different skills are needed to build and manufacture computers. That is why we have to retrain people who need jobs, and the problem also appears in the manufacturing sector. In plants, machines are replaced by robots, lathes are replaced by computer–operated lathes, and so forth.

This advanced technology enables Canadians to have a better quality of life, but it also has a number of drawbacks. As I said earlier, we must adjust to these realities in our present society.

Bill C–21 enhances our quality of life. We are all proud of the fact that we can earn a decent living, and our pride arises from the work we do.

Mr. Speaker, Canadian markets and international markets are becoming more and more open, and that is a fact of life. We are experiencing problems from time to time, and that is because to a certaine extent we have to do business with countries like Japan, the Common Market, Korea and many other countries. If we want to continue to sell our products and compete with the rest of the world we need highly skilled labour so we will be in a position to produce goods at competitive prices, otherwise our market will be flooded with foreign products. It stands to reason that Canadians will go for products available at the best possible prices. It is therefore imperative that our workers be able to face the challenge and turn out good products.

Free trade with the Americans has to be the best opportunity Canadians have ever had. Take the Montreal region, for example, and draw an 800–kilometre circle around Montreal or Longueuil and you have a population of 75 million consumers, 75 million people who would buy Canadian products, particularly products made in the Montreal region. Imagine the opportunities which free trade affords us to sell our products and to create jobs. We will be able to create hundreds of thousands of jobs. But, again, only on the condition that we can compete. We will be competitive if our workers are properly trained. And it is for that purpose that Bill C–21 is aimed at retraining our workers with a view to providing business and industry with competent employees.

Bill C-21 will enable us to upgrade the skills of workers to meet business needs. We need first-class employers, teachers and workers or else we are doomed to failure.

We absolutely must base our efforts on training; otherwise, unemployment and social assistance will go up and we will see more poverty and more social problems in our beautiful country. We will have a vicious circle and our economic system will suffer tremendously.

You know that if more people are unemployed, more companies make less money and our governments will probably collect less tax. If we collect less tax and have more unemployment, we are headed straight for an economic recession. That is why it is very important to retrain our workers so that we can produce and be competitive and keep our businesses thriving.

Mr. Speaker, another advantage of this Bill C-21 concerns workers aged 65 and over.

Many people who are 65 or older are in very good health, have great talent and a lot of experience, but they almost had to stop working. With this Bill, we let these people continue to work, to contribute to unemployment insurance and to collect UI benefits. These people 65 and older will be treated like anyone else. And that is a great advantage for our businesses that need these talents, these experienced people 65 and over who will be treated like ordinary citizens—like first-class citizens, in many cases.

We will convince private enterprise to invest more, and that is in the Bill, we will try to convince private companies to invest one and a half billion a year to train their workers, and I quite agree.

We will also try to work a little more with labour, business and the provincial governments. This is really essential in today's world in which we live, with the tremendous competition that we face. Labour, management and the provincial governments, the three of them together with the federal Government, *must* work together to develop low-cost job creation strategies.

• (2350)

We will also allow people 45 and over—because you know, Mr. Speaker, a lot of people 45 and over come and see me in my office. They have lost all hope because they have no jobs anymore and often they are not re-employable. They are told they do not have the skills needed and there is no way they can find a job. Why? Because they are told they only have grade 9 or grade 8. But 20 years ago grade 9 was pretty good. And now, they are expected to go back to school, to go through the five years of high school. They are asked to go back to school for three or four years. You know, Mr. Speaker, nobody 45 or over has the courage to go back to school for three or four years.

So what we want to achieve with Bill C-21 is provide programs that are adapted to those people. Instead of starting over high school, they can learn, retrain directly on the job. The motivation and the rewards will be much greater for those people.

Mr. Speaker, we know of course there is a natality problem, there often are family problems. We will provide for an increase on UI benefits and medicare benefits, which was not allowed before, medicare benefits, in terms of maternity leave and sick leave. Now, this will be increased from 15 weeks to 30 weeks.

This project will cost the federal Government $450 million. I think it is worthwhile— I warn the Opposition they should mention it every time they make a speech because it is a unique measure that will help our professional workers who want to keep their jobs while raising a family.

Mr. Speaker, this legislation is adapted to today's world. That is basically what the Bill is all about. It is adapted to today's society. The Opposition said earlier that no changes should be made in the Bill because historically, it had served Canadians well. However, bills are made to be adapted, and I can inform the House that this Bill is truly adapted to today's society. It is a Bill for today's people and today's businesses.

Mr. Speaker, thank you very much, and I am proud to support this Bill today.

[*English*]

Mr. Joe Fontana (London East): Mr. Speaker, this is truly a sad day in parliamentary history. Not only is the Government ravaging one of Canada's major social policies, but invoking closure. Only allowing seven hours of debate on this issue is an insult to every working man and woman in Canada.

I have just heard Government Members say that we must become more competitive. Why is it then that the Government has reduced R and D funding, has cut training and retraining programs over the past five years, and has cut post-secondary education payments? What

has it done for people and for small businesses? It has taxed, taxed and taxed.

Bill C–21 represents another in a long list of broken promises by the Government. Unemployment insurance was called a sacred trust by the Prime Minister (Mr. Mulroney) and the Minister for International Trade (Mr. Crosbie). In fact, three days before the election, they promised Canadians that it would not be touched.

Bill C–21 also represents another attack on working men and women. Free trade was the first; higher taxes was the second and this is the third.

We also heard a Government Member indicate that the reason these changes are necessary is because those who are receiving unemployment insurance benefits are nothing but a bunch of cheats and people who do not want to work. That is representative of an 18th Century philosophy that the Government wants to move into the 21st Century.

Bill C–21, an Act to amend the Unemployment Insurance Act, is, I suggest, an attack by the Government on the very social fabric of the nation, one that distinguishes us from other countries, particularly the United States. We are a more caring and compassionate country, as evidenced by our history, and we have over the years built social pillars with programs and policies that form the foundation of this great land.

The withdrawal of federal Government funding to UI and the abdication from the program and its responsibilities is reprehensible. The Government is washing its hands of its responsibility to bridge the gap for the men and women of Canada who are in between jobs and are looking for jobs. On the one hand, the Government wants to take all the credit for creating jobs, but on the other takes no responsibility when its policies cause the hardship of unemployment and causes unemployment itself to increase.

Most men and women must work to maintain their standard of living and the quality of their lives and their children's lives. No one wants to lose his or her job. One's financial and psychological security depends on it. However, through no fault of their own, individuals are sometimes laid off as companies close their doors or move to new locations. Unemployment insurance is there to help on a temporary basis. It is not welfare, as some Government Members would have us believe. It is there to soften the financial blow and to aid in the transition period that occurs when one loses one's job and has to find another. It is there as a safety net.

Let us not forget that the workers pay in part for this insurance plan. Yes, it is an insurance policy one hopes to never have to collect. Business, as a partner in this social contract, also pays a part of this insurance policy for its employees. What has the third party, the federal Government, done about this social contract? It has absolved itself of any responsibility and in so doing is now telling the workers that they must pay more and that the employers must also pay more.

Small business, the engine of our economy, is already faced with high costs due in large part to the Government's support for high interest rates, high taxes and a mountain of Government red tape. Small business, which now contributes to more than 50 per cent of our Gross National Product and provides over 60 per cent of the jobs, cannot now be asked to pay the Government's share. A payroll tax raises the cost of labour. When premiums increase, the relative cost of labour rises and this induces employers to reduce the costs by substituting capital for labour, or by moving to a lower–cost environment.

In short, any way one looks at it, the Government is increasing unemployment and is not becoming more competitive but is becoming less competitive. There is no doubt that the system can be improved because, let us face it, any system can be improved. However, let us improve it, not gut it. If those who quit voluntarily without just cause are a problem, then make some changes, positive changes, to deal with this specific problem. If people are refusing to take jobs that are available, or if people are not available for work, then let us make the positive changes that would correct the program.

Let us look at the figures. There were 6,215 people who refused jobs and therefore lost their benefits. This is out of 2.4 million beneficiaries, which means that .25 per cent were disentitled because they refused jobs. The Hon. Member on the Government side indicated that all people on unemployment were abusing the system. If it is cheats we want to deter, make those changes so that it is impossible for them to take advantage of the system. The figures point out that there were 5,507 claimants who were caught cheating under the unemployment insurance system. That was 5,507 out of a total of 2.4 million beneficiaries. That means that the number of

cheats represented .2 per cent of the total number of beneficiaries in that year. That is a very low number.

• (2400)

If the Government wanted to change the system to make positive changes, then it should not punish the majority of honest, hard-working men and women who want to work, need to work, and need the protection if some unforeseen problems arise. Furthermore, employers should not be punished after they are invited to be good corporate citizens by hiring as many people as they possibly can. Do not ask partners in this social contract to pick up the whole tab after the Government has enjoyed the fruits of their labour.

For instance, in London, the new regulations indicate that a person who loses a job through no fault of their own will have to work longer to qualify, will receive fewer benefits, and will receive those benefits for a shorter period of time. That is not fair and equitable to honest working men and women, especially at a time when there will be massive changes due to the Free Trade Agreement, and as companies restructure. These proposed changes are punitive and discriminatory to honest working men and women.

The Government insists that it is shuffling money from unemployment to training, and that some $800 million will go to training and retraining. The Government's new found responsibility and interest in training is truly amazing. After cutting training and retraining programs by $700 million in the last four years, it is now putting back what it took from those programs over the past five years.

Did Canadian workers not need training in the past four years? Did employers not need skilled workers over the past four years? The Government wants to take from the unemployed, and it wants all workers and employers to pay for the training programs without having to give any assurances that they themselves will benefit from that training.

Where has the Government been for five years? Waiting lists for training and apprenticeship programs have ballooned, while government funding has dried up. Employers have had severe problems finding skilled workers, yet welfare rolls in most municipalities have remained high. All this is at great economic and social cost to society. Where has the federal Government been for those people? Where has the Government been for older workers when their plants were closed down with no adjustment programs? Stringent requirements were needed to qualify for retraining, yet few spots were available in any case. Most people found themselves at the bottom of a long waiting list.

A strong labour force development strategy depends on a sound and full employment policy. That includes not only strong emphasis on training, retraining and worker adjustment programs, but on strong support for research and development, education, and literacy programs for our people. Unfortunately, all those positive steps have been cut back by the Government in the past, or have little token support now.

The Government should not move on its unemployment insurance plan as it is now written, nor should Parliament approve this Bill until such time as the Government has tabled the boundaries for the new labour force economic regions. There are indications that those new boundaries will not be ready in time and that there are certain to be inequities.

Second, the new training programs that government Members speak of have not been tabled, nor have there been any consultations with the provinces. These changes will likely result in shifting additional financial burden to the provinces and in turn to municipalities at a time when we should be looking at ways to make the three levels of government more efficient and co-operative in a collective manner in order to make the maximum use of all moneys collected by way of taxes from our citizens.

If the Government wants to introduce positive changes to unemployment insurance, benefit packages to improve its effectiveness, and if the Government wants to introduce measures that will improve the special benefits for maternity and paternity leave, sick benefits and old age benefits, we on this side of the House will look favourably upon those changes. However, if the Government insists on dismantling and cutting down one of the most important social pillars of a country that has reached our level of maturity and social well-being, then we will have absolutely no part of it.

We know that we cannot stop the Government from passing this Bill on second reading tonight. Let me assure you, Mr. Speaker, that we on this side of the House intend to fight tooth and nail during committee meetings, as we cross the country from west to east to hear from working men and women, municipal leaders and small business people, and we intend to let them know exactly what the program and the changes will do to them.

In Canada, 80 per cent of the people who qualify for assistance programs receive those benefits. In contrast, in the United States only 25 per cent of the people who qualify receive any benefits. I do not have to tell Members to look at the increasing problems the United States has with crime, drugs, homelessness and dying on the streets. Is that the type of country that the Government wants us to become? Good social policy is good economic policy. I do not believe that Canadians want to go backward, either.

Mrs. Dorothy Dobbie (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I am very pleased to rise this evening, even at this unearthly hour, to speak on this most important topic. I am particularly pleased to speak this evening after hearing such a lot of contradictory balderdash. I have never heard so much confusing rhetoric and contortion of the facts in my life.

The fact of the matter is that we are dealing with a very simple issue, one that has to do with people, and I would like to put it into perspective. The saddest thing in the world is a healthy, productive individual who is unable to work but wants to. The only thing sadder than that is a healthy, potentially productive individual whose will to work has been sapped by a forced diet of social assistance. These are the hopeless and defeated souls who have forgotten the joys of self-sufficiency, who have been actively discouraged from efforts to be productive by counter-productive programs of social assistance which attempt to make work less attractive in terms of take-home dollars than existing on the efforts of others.

Earlier I heard one of our friends opposite speak with a great deal of eloquence about the sanctity of our unemployment insurance system. I concur with my hon. friend, and agree with this. The unemployment insurance system makes a lot of sense. It is a reasonable and commendable way to provide sustenance for those who lose their jobs through no fault of their own.

However, surely the thrust of an unemployment insurance program should be to encourage re-employment in industries and jobs that offer security from future gaps in employment because the employee now has the skills or the ability to acquire those skills to grow with the job and adjust to healthy change in the workplace.

Such a program is the one being introduced by the Government today. This program offers hope for self-sufficiency. It offers hope for new horizons to thousands of unemployed people who are aching to get back into the productive and rewarding workplace. This is a program which sees Canadians as having the potential for independence and having the potential to be productive members of this society. This program is one that sees Canadians as having the potential to learn to change, to grow, to do better, and to improve their lifestyles.

• (0010)

Hon. Members opposite have a very sad, distorted and negative view of the Canadian worker. I say shame on those Hon. Members. To hear them tell it, our workforce is incapable of doing anything but going from one dead-end job to the other, with lengthy periods of unemployment to spare in between. That is what they say. As a consolation prize for the lack of a plan, for the lack of the creative energy to solve the problem, Members opposite would offer only easy, insensitive and uncaring answers of a few more bucks.

Some Hon. Members: Oh, oh!

Mrs. Dobbie: Money is a cheap answer. Money does not answer the long-term problem.

Mr. MacDonald (Dartmouth): But it puts food in your belly and a fire in your stove.

Mrs. Dobbie: To continue, sadly, there is never enough money to serve the needs. There never can be enough money, as my hon. friends very well know, to make up for the lack of hope, the desperation, the loss of dignity and the erosion of self-worth that comes from not having a job and, worse, that comes from knowing that one will never have a job because one lacks the skills and training to compete in the job market.

Ms. Clancy: Or there is no market where you live.

Mrs. Dobbie: This program offers that hope. This program addresses the underlying problem of the chronically unemployed.

Currently, more than one million Canadians indicate that their lack of skills is a significant barrier—

The Acting Speaker (Mr. Paproski): I think if the Hon. Parliamentary Secretary would be able to complete her speech we might be able to hear a couple more speeches before 1 a.m. I hope Hon. Members will give courtesy to those who are speaking between now and 1 a.m.

Mrs. Dobbie: Mr. Speaker, I am glad my hon. friends opposite have wakened up. I must be saying something right.

Currently, more than one million Canadians indicate that their lack of skills is a significant barrier to finding employment. As one of my colleagues mentioned earlier, this is backed up by a number of studies done by, for example, the Canadian Federation of Independent Business which found that 50 per cent of its members cited a shortage of qualified labour as a problem.

In addition, the Canadian Manufacturers' Association found that 36 per cent of its member manufacturers expressed difficulty in finding skilled trades people. As one who has spent time as a printer, a small manufacturer, I can tell you, Mr. Speaker, from my own personal experience that this is very true.

What we are trying to do is address this problem. The number of people who are currently trained under the UI program number 75,000. It is our goal to double that to about 140,000, or about 5 per cent of UI beneficiaries.

To make sure that this training is relevant, we will be seeking the advice of labour and business, which is an appropriate thing to do, in the further design of UI support for training.

We are hearing a great deal from Hon. Members opposite about so-called mythical cut-backs to the UI program. I do not know from where they are getting this. The total funding for the program remains the same. It is not being reduced.

Mr. Allmand: You have not read the Bill.

Mrs. Dobbie: What we will do is make training more effective by allowing for a longer duration of training periods—up to three years—and by assisting persons who are on UI to obtain high school equivalency certification to allow them to qualify for available jobs or to pursue a skills training program.

Mr. Speaker, you have heard the facts and the figures over and over again during this debate. However, there is one area that seems to continue as a question of misunderstanding by members of the Opposition who seem to have a hard time understanding a number of things. This one has to do with the number of weeks of work required in order to collect insurance. I would like to set the record straight by saying once and for all that people living in areas of high unemployment above 11.5 per cent need only log 10 weeks of employment in order to trigger benefits. That is to say that a person in one of those areas must only work two and a half months to collect. That is as it was before.

Second, another point which should be registered with those who have a hard time absorbing information across the way, is that those people in seasonal jobs—in fact, most of the people who rely on UI most frequently and who trigger benefits more than once in a 52-week period—will find that the qualifying period is unchanged. Construction workers in Manitoba, for example, who collect more than once in a 52-week period must work 18 weeks in order to collect. This is no different from what it was before.

Ms. Clancy: How about the fish plant workers?

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

Mrs. Dobbie: The program has been made more relevant and more responsive to today's needs.

The Acting Speaker (Mr. Paproski): The Chair recognizes the Hon. Member for Kingston and the Islands (Mr. Milliken) on a point of order.

Mr. Milliken: Mr. Speaker, we are here discussing a Government Bill and there is not a single Minister of the Crown in the House. I think that there should be a Minister—

The Acting Speaker (Mr. Paproski): The Hon. Member is out of order. There are Ministers in the House.

I would like to bring to the attention of Hon. Members the fact that there has been an agreement made here. There are Ministers in the Chamber, whether they are in the Chamber or outside. There are also other Members outside the Chamber. The Hon. Member for Kingston and the Islands should know whether or not he should bring to the attention of the House who is or who is not in the Chamber.

Mrs. Dobbie: Mr. Speaker, I would like to thank the Hon. Member for Kingston and the Islands (Mr. Milliken). He could see that I was growing a little tired and needed a rest.

Mr. Wappel: You need a long rest.

Mrs. Dobbie: Unemployment insurance at its best and in its purest form is a program that permits people to bridge the gap in tough periods. It allows them to do that without attaching the stigma of welfare to their temporary misfortune. However, let us not kid ourselves for one minute into believing that we can hide welfare programs under the umbrella of unemployment insurance for very long. We are not fooling anyone, least of all those poor souls who are forced to eke out their existence in short-term, dead-end jobs that ultimately land them back on the UI rolls. They know that their sustenance is predicated on a form of welfare, no matter how euphemistically pretty the label given to it.

Therefore, the Government's revised program makes good sense. It offers hope to countless Canadians for a better tomorrow. It holds out a promise to all who despair in finding work for lack of qualifications. It holds out a promise that they, too, can share in Canada's bounty and that they have not been abandoned or forgotten.

I commend the Minister of Employment and Immigration (Mrs. McDougall) for her courage and far-sightedness in devising a strategy that respects Canadian workers and offers a new hope to the many who have none today.

This is an excellent program. I am proud to be a part of a Government that has the honesty and integrity to deal with the real needs of Canadians and to deal with the needs of the unemployed by seeking to help them in a manner that leaves them with their dignity and provides them with hope for the future.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I appreciate the opportunity to speak on this legislation. However, I must begin with a confession.

Before being elected, my occupation was senior policy analyst in the UI Analysis Directorate of Employment and Immigration. That places me in the dubious category of being the only Member in this House, I think, who has had three Tory Ministers as former bosses.

Some Hon. Members: And you're still alive?

Mr. LeBlanc (Cape Breton Highlands—Canso): My discomfort at this blot on my past is eased somewhat by the election of my colleague, the Hon. Member for Kingston and the Islands (Mr. Milliken).

I want to say that although the unit in which I was previously employed was probably involved in the analytical work for Bill C-21, I would not want that to imply any collaboration or even support for this legislation on my part.

• (0020)

Quite the contrary. However, the background may be useful in terms of the perspective I can add to the debate this evening. Several of my colleagues have raised some of the more obvious flaws in the legislation. They have said, for example, that Canadian workers will pay more for less unemployment insurance protection under the Minister's proposed changes. That is true. When we see the increase in the premiums and the fact the Government is withdrawing from the program, combined with the new benefits schedule proposed by the Minister, there is less UI protection and higher premiums that workers will have to pay.

The second obvious flaw with the package is that the extra weeks that will be needed to qualify will cause major hardships in many of the rural communities in Canada. In my riding of Cape Breton Highlands—Canso, many communities depend on industries which are basically seasonal in nature. All that sustains these industries in the off season is unemployment insurance which provides income support for the people who work in the industries, and provides income to the businesses that are in those communities to keep the economy moving. Without unemployment insurance during that off season, unemployment would spread throughout the communities. Furthermore, there are no alternatives in

those isolated communities to unemployment insurance protection.

That brings me to the third obvious flaw in this legislation. It concerns the training programs which have been offered by the Minister as a substitute for UI protection. These training programs are fine for the urban areas like Toronto, where someone who is unemployed can train for a multitude of other industries and sectors. However, for someone living in eastern Nova Scotia who is unemployed, the only option is to leave home for somewhere else, either in Nova Scotia or in another part of Canada. It means giving up one's home and moving to another part of the country.

Since the Minister claims to be so confident about the benefits of her training programs, why does the Government not finance these programs from general revenues? Why does the Government place the risk of the success or failure of the training programs on the unemployed worker? Why will the unemployed worker have to pay for the risk associated with these training programs? If the Government is so proud of these training programs why does it not finance them from government revenues? It is essentially an admission of the failure and lack of confidence of the Government in its own programs.

The fourth obvious flaw concerns the Budget more than the changes to the unemployment insurance program that were announced by the Minister. It is the move to finance the total program out of employee and employer contributions. This is clearly a regressive tax measure. It is a tax on jobs which will apply to workers and which will discourage companies from hiring. It will also increase costs so that the tax not only contributes to unemployment but to inflation as well.

The Minister of Finance (Mr. Wilson) is supposed to be a well respected economic manager, at least until the release of the Budget. I cannot understand why he would allow such a measure to pass.

Another criticism to the changes to the UI program is that it essentially privatizes unemployment insurance. This is consistent with the Government's move to harmonization with the United States in the wake of the Free Trade Agreement.

Mr. Reid: What are we changing?

Mr. LeBlanc (Cape Breton Highlands—Canso)): Let me instruct the Hon. Member about what the unemployment insurance system looks like in the United States. The unemployment insurance program is a state financed program. States compete with each other in the United States to attract industry by offering lower unemployment benefits. Benefits in the United States are significantly less generous than in Canada.

Mr. Reid: How do you attract industry if the state offers less money?

An Hon. Member: It sounds like harmonization to me.

Mr. LeBlanc (Cape Breton Highlands—Canso): A third characteristic of the program is a feature known as experience rating. Industries or firms whose workers use the unemployment benefits more than others pay higher premiums over time.

Mr. Reid: In this country the state pays for it. There is no corporate responsibility.

Mr. Volpe: Go back to sleep.

Mr. LeBlanc (Cape Breton Highlands—Canso): I ask the Member to consider for a moment how experience rating would work in Canada. In Atlantic Canada with our geography and industrial base, we use unemployment insurance benefits relatively more than the rest of the country. This means we would pay astronomical unemployment insurance premiums for less benefits. Is that the system the Government wants to move us toward?

Mr. Reid: No. It is quite clear that it is not.

Mr. Volpe: That is exactly where you want to take us.

Mr. LeBlanc (Cape Breton Highlands—Canso): They have taken the first step—

The Acting Speaker (Mr. Paproski): The Hon. Member for Cape Breton Highlands—Canso has the floor.

Mr. LeBlanc (Cape Breton Highlands—Canso): The Government has taken the first step toward the American unemployment insurance system by withdrawing government support for the program. The program has always been a tripartite financed system in which there were three partners in financing unemployment insurance. They were the employers, the employees and the Government. We use the unemployment insurance program in our system to stabilize our economy and put income in areas of high unemployment. That is done

through regional extended benefits, which are being withdrawn by the Government.

Mr. Reid: Absolutely not.

Mr. Thompson: You are dead wrong. That is the same speech you gave last fall.

An Hon. Member: No it isn't.

An Hon. Member: Good morning.

Mr. Wappel: Put that man on a VIA train.

The Acting Speaker (Mr. Paproski): Order, please there is still 30 minutes remaining. I would like to hear the Hon. Member's speech.

Mr. LeBlanc (Cape Breton Highlands—Canso): The flaws that I just outlined are obviously worth repeating because I believe Hon. Members opposite have not fully understood them yet.

Mr. Reid: That is where you are wrong.

Mr. LeBlanc (Cape Breton Highlands—Canso): If they would speak to their constituents they would realize what this program means to Canadians. I would like to focus my remarks on some less obvious weaknesses in the program. It is interesting to note the lukewarm reception that the Minister's proposed changes have received from the business press. It is the business press that has been clamouring for UI reforms, clamouring to make the UI program more efficient, for ending abuses in the program, for making it more strict. It has been clamouring for this Government to make major cuts and changes to the unemployment insurance and to root out the so-called abuses in the program. It is interesting to note the kind of response that the Government has received. For instance, *The Financial Post* says that the reforms missed the target. *The Financial Times* says: "McDougall's plan may wind up satisfying neither those who want UI reform, nor people demanding expanded benefits for the jobless."

• (0030)

Claude Forget, who argued strongly for reform in his report, expressed amazement that the Government would introduce these changes without an appropriate rationale. In fact, the Minister's changes not only make major cuts to the program; they do nothing whatsoever to correct any of the adverse incentives and inequities that motivated reform to UI in the first place.

Let us look at a few of these changes. First, let us look at the benefit structure. One of the criticisms that has been made of the UI program by those claiming that it encourages instability in the labour market is that one of the identified targets is the regional extended benefits and the variable entrancerequirements.

What has the Minister done? He has expanded the variable interest requirement. At the same time the regions of the country where UI benefits are the most difficult to get and where the economy is the least resilient, they have increased those minimum interest requirements substantially and widened the gap. Therefore, the unemployed worker is caught between a rock and a hard place. They reduced the number of benefits.

The second aspect is the repeater provision. The Minister has claimed seasonal workers will be better off because of the abandonment of the repeater provision. I would just like to enlighten Members on how much the repeater provision will affect unemployed workers. Essentially, with the changes in the benefit schedule, what it means, combined with the withdrawal of the repeater provisions, is that very few people will fall into the repeater category anyway. The benefits are more strict for everybody and the Government has—

Mr. Reid: The penalty is gone?

Mr. Leblanc (Cape Breton Highlands—Canso): Yes.

Mr. Reid: Well, the penalty is gone.

Mr. Leblanc (Cape Breton Highlands—Canso): And everybody else faces higher benefits. So it nullifies the advantage that repeaters might have got.

Mr. Reid: Of the parts of the country that need it.

Mr. Leblanc (Cape Breton Highlands—Canso): You do not know what you are talking about.

Mr. Reid: Please enlighten me.

Mr. Leblanc (Cape Breton Highlands—Canso): Let us compare the new rules for the fishing communities. Let us compare the application of these new benefit rules to the fishing communities. We know that there is a crisis in the Atlantic fishery motivated by this Government's failure to manage the fishery, the failure to prevent the overfishing by Europeans and a whole litany of problems

associated with the Government's management of this fishery. We have a crisis in the fishery and we can expect massive layoffs in this industry. They have already begun.

How does the UI program play in those communities? First, fish plant workers are going to face substantially higher entrance requirements and reduced benefits. However, self-employed fishermen will be treated the same way. They are not affected. What we have are two classes of unemployed, the fish plant workers and the self-employed fishermen.

Mr. Reid: Where is the change?

Mr. Leblanc (Cape Breton Highlands—Canso): Over the years there has been substantial objection to providing benefits to self-employed fishermen and self-employed individuals generally. What can we expect from this Government? Are we going to expect that the other self-employed workers like small businessmen, truckers and farmers will now receive unemployment insurance benefits? No.

Mr. Reid: Would you take it away from the fishermen?

Mr. Leblanc (Cape Breton Highlands—Canso): That is what we expect that you will do.

The Acting Speaker (Mr. Paproski): Order, please. There are still 25 minutes to go and there is a full moon outside. Let us enjoy ourselves. The Hon. Member for Cape Breton Highlands—Canso.

Mr. Leblanc (Cape Breton Highlands—Canso): The last point I would like to make has to do with older workers. The proposed changes will allow workers beyond 65 years of age to contribute to and to draw UI benefits. Several speakers opposite have made mention of this provision as if it was something that came out of the goodness of the Government's heart. However, I want to remind Hon. Members that this is really a very tardy response on the part of the Government to the parliamentary task force report on equality entitled Equality for All. It called for this part of the UI program to be changed in order to bring it into line with the Charter of Rights. Therefore, the Government has taken four years to implement that report.

I would just like to say a bit about UI for older workers in general. As we all know, Canada faces an aging workforce. At the same time we have a country where we will face major adjustments which are going to impact and cause layoffs among many of our older workers. We all know that older workers have a more difficult transition when they have become unemployed than the younger workers.

The Minister's statistics on this, I am sure, will bear this point out. However, the UI protection for someone who has been laid off at 45 or 55 is the same as for someone who has only been employed for 20 weeks. Someone who has worked for 20 years and becomes laid off does not receive any more protection than someone who has only worked for 20 weeks. I ask the question: Is this fair?

I suggest that dealing effectively with this aspect of the program would be a start toward developing a more comprehensive and humane package of changes. It might be a legislative package that would be taken seriously. Instead the Minister has offered us a Bill that gives us the worst of all possible worlds, a major reduction in UI protection for everybody and no improvement in the structure of the program. The changes do not follow from any thought of the role that the UI program should play in Canada's social safety net. What it is is a jerry-built contraption designed simply to save this Government money.

If the Minister is unwilling to withdraw this Bill now, my recommendation is that she let it die a mercifully quiet death over the summer. In the meantime, she should go back to the drawing board with her officials. If she cannot come up with a set of changes that address the real needs of Canadian workers in the 1990s, then she should follow her predecessor's lead and leave well enough alone.

Some Hon. Members: Hear, hear!

• (0040)

Mr. Al Horning (Okanagan Centre): Mr. Speaker, I appreciate that Hon. Members opposite are motivated by the same desires as are we who sit on the Government side, namely, to build a solid economic and skills foundation in this country that will carry Canada with confidence into the 1990s and beyond. I also understand that

Hon. Members need assurance that Canadian men and women are not being left behind, that they are not slipping through our social security safety net as they go about building and adapting to post-industrial economic realities.

However, I would suggest to them, Mr. Speaker, that we are providing a greater service to everyone when we shift our energies from simple income maintenance schemes to training and retraining opportunities that will allow people to participate fully in a thriving economy. I suggest to you, Mr. Speaker, that we can best ensure a strong and competitive future for our country through an investment in human capital, and that is what the channelling of more funds into skill development measures represents.

We cannot disregard the change that is taking place in our economy. We must recognize that complacency in a highly competitive world amounts to a prescription for disaster. We have always insisted, both inside this House and in public fora across the land, that it is folly to underestimate the demands of a constantly changing and interdependent global economy. Indeed, we have always maintained that the failure to preserve a competitive workforce would have dire consequences for Canada's economic prospects.

That is why we have dedicated more dollars to job training and skill enhancement than any government in the history of Canada. The changes to the Unemployment Insurance Act are part of the dedication to training people to take advantage of the opportunities that are at hand.

We have not merely focused our resources and attention on those Canadians blessed with the wit and wisdom to attend our institutions of higher learning. We have also devoted resources so that people faced with the dead-end prospects of welfare can see a way out of their unhappy condition. These are people who, given the right kind of retraining and re-entry assistance, can get back into the job market.

We all know of examples in our own communities, such as my riding of Okanagan Centre, of single mothers anxious to get back into the workforce; of young people, often from disadvantaged backgrounds, who have dropped out of school and now face a bleak and troublesome future; disabled people with obvious intelligence and ability who are held back by the prejudices of an unappreciative job market; visible minorities and native peoples who too often face major barriers in joining the workforce. These are the groups that have been traditionally left by the economic wayside, but these are the people who need some timely and effective intervention to help them become part of the economic mainstream.

The training and retraining funds available through this strategy and in existing programs are designed to help overcome the barriers that exclude people from the labour market. Each of the many components of current programming has targeted groups such as women, social assistance recipients, aboriginal people, visible minorities and people with disabilities. These groups have been identified to ensure that they receive the relevant training that will give them a chance to become part of the permanent labour force.

We are dedicated to helping these target groups gain access to the labour market so they can fully participate in Canadian society. That is a major motivation behind the federal funding of the Canadian Jobs Strategy. We see it as an investment in our future. I would suggest, Mr. Speaker, that if we merely give passive income support, without providing the prospect of joining the post-industrial economy, we are condemning people to remain on the outside of our social and economic system.

In order that Hon. Members appreciate our commitment to the development of a training ethic in Canada, I would like to outline some of the principal features of the Canadian Jobs Strategy. I will begin with the job entry component of CJS, a program that has served as an important means of getting people in our target groups back into the workforce. It provides, for example, on and off-the-job training and work experience for young people having difficulty making the critical transition from school to work.

Program co-ordinators under job entry have included businesses, public and educational institutions, municipal governments and Indian band councils. These co-ordinators are responsible for developing, designing and administering training plans that are designed to meet the specific needs of the job entry participants. They are responsible for identifying and recruiting the participants, selecting suitable training sites, monitoring the participants' progress and paying allowances to the participants.

However, the program is not exclusively designated for young people. The job re-entry component of the CJS has also been used to assist women who have difficulty making the transition from home to work outside the home. Both entry and re-entry provide training for those

people who face significant barriers in securing and maintaining employment.

In particular, job entry serves people who have been termed "severely employment disadvantaged". These are people who have had difficulty entering the job market because of functional illiteracy, poor social and communication skills, motivational problems and poor work habits, or people who have been institutionalized for long periods and have difficulties adjusting to the realities of the world of work. Special assistance is provided to people whose disabilities have been a barrier to entering the workforce. Funding may be used to provide services such as sign language interpretation, Braille reader services, or the provision of information on audio cassette.

The various components of the Canadian Jobs Strategy provide help where it is most needed and many of the objectives in the various components of CJS have, in fact, been exceeded. However, the willingness of the provincial and territorial governments to join with the federal Government in using CJS to enhance the employability of social assistance recipients is probably the best testimony to the usefulness of CJS programs. All provinces have entered into CJS agreements with the federal Government since the policy was first introduced. Mr. Speaker, the program is a great asset to my constituency of Okanagan Centre. Considering the results that CJS programs are generating, the eagerness of the provinces to join forces with the federal Government is understandable.

All participants in the various CJS programs are surveyed three months after they leave their project or training course. They are asked whether they found a job and whether the training provided under CJS was relevant to that job. Mr. Speaker, the results of our latest surveys are most encouraging. What is most encouraging is the "impact rate" of the CJS programs. The "impact rate" refers to the percentage of participants who are either employed or involved in further training three months after their involvement with CJS. Job entry was found to have an impact rate of more than 60 per cent and the skill utilization rate, or the percentage of participants using skills acquired during the job entry, was more than 64 per cent.

These CJS programs are already having an impact in the job market and as time goes by I am certain they will have an even greater influence for the good of the participants. The economic prospects for the people targeted under the Canadian Jobs Strategy clearly rest on our ability to train and equip them to enter a highly competitive job market. If we skimp on the investment in human capital that the CJS represents, they will likely never be able to secure lasting employment. The Canadian Jobs Strategy is a human capital investment that we all can be proud of.

• (0050)

It represents a major commitment to job training and retraining of the Canadian workforce. The changes to the Unemployment Insurance Act are designed to direct more resources to such training and retraining measures. Three hundred and fifty million dollars more will be available for training UI recipients for the job market. With the Labour Force Development Strategy, we have dedicated $100 million for entry level skill development to help people get into the labour market, an additional $15 million to an industrial adjustment service, to assist firms and workers facing major changes due to technological reorganizations, an additional $50 million for the community futures program, which is now being implemented in my riding of Okanagan Centre, an additional $50 million for social assistance recipients, and $100 million for displaced older workers, and the list goes on and on. Hon. Members are surely familiar with it.

The new improvements to the Unemployment Insurance Program maintain the existing safety net. They improve special benefits to certain target groups like older workers. Most important, they devote needed resources to the preparation of the unemployed for labour market opportunities they never dreamed possible. In other words, we are providing a foundation for building a strong and competitive future for Canada and my riding of Okanagan Centre.

Currently, older workers have access to EIC programs and services through the Canadian Jobs Strategy and employment services. In November, 1988, the Minister announced new services tailored to older workers. In my riding of Okanagan Centre, we have a lot of older workers. I am proud to be able to tell you about this

program at this particular time. These include retraining programs, job-finding clubs and an expanded self-employment incentive option within the community's futures program.

The Labour Market Development Strategy proposes to increase current services to displaced older workers by $100 million. The continuing employment option may receive an additional $40 million to provide up to three years support to employers who hire and retrain displaced workers. Some $50 million will finance skills training and educational upgrading through Section 26 of the UI Act in co-operation with the provinces.

Other avenues of assistance include the IAS, re-employment incentive pilot projects which subsidize early re-employment at lower wage rates, and Labour Canada's POWA program. In addition, older workers will be targeted for self employment and mobility assistance.

Currently, self-employment and entrepreneurship are supported mainly through community futures, a Canadian Jobs Strategy Program. This program is active in more than 200 non-metropolitan communities across Canada. Participating communities have access to business development centres, which provide technical advisory services to small businesses, and which can also fund loans of up to $75,000; and the self-employment incentive option, which gives unemployed persons who are trying to become self-employed $180 a week for up to a year, in lieu of social assistance or unemployment insurance.

Current mobility assistance is also provided through the Canadian Jobs Strategy. Workers who are in danger of losing their jobs or who have already lost their jobs because of technological or market changes can collect up to $5,000 to aid in relocation.

In 1988-89, as of January28, 1989, 4,308 workers received assistance for a total cost of about $6,369,000.

Earlier, the Hon. Member for London East (Mr. Fontana) suggested that 2 per cent of UI payments are voluntary quitters without just cause. He implied that this is an insignificant matter. However, the cost to the UI account annually of voluntary quitters without just cause is $1.1 billion. That is 10 per cent of the entire UI account.

The Liberal Party of Canada calls $1.1 billion insignificant, but Members on this side of the House have more respect for the taxpayers of Canada.

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I am very pleased to have a chance to speak, for what time is available to me, against Bill C-21, this Bill to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act. In fact, this Bill will do great harm to working people in Canada. It is a Bill which is important to the people of Trinity-Spadina in Toronto.

Some people have said that unemployment is low in Toronto. However, that is of course according to Statistics Canada which in fact leave out certain blind spots. They do not count the homeless, of which we have many in Toronto, because they are not at home to be telephoned by the pollsters to find out whether they have been looking for work that week. They do not count many of the people who have given up looking for work there. They do not count many of the under-employed or unemployed housewives who are not qualified to be called unemployed statistically. They do not count those who are seriously underpaid, particularly in the immigrant communities. They do not count the illegal immigrants who of course are punished for being illegal by being underpaid if they are able to work, but who are nevertheless considered very useful by many of the employers in Spadina. They do not count those who are hindered from working, and perhaps even from being counted statistically for lack of the English or French language. They do not count the fact that unemployed are quickly expelled from Trinity—Spadina and from downtown Toronto by the extraordinarily high cost of housing there. It is very difficult for an unemployed person to live in downtown Toronto, even if on unemployment insurance. We have all those people in Trinity—Spadina.

We also a few years ago had the story of a local junk dealer with his horse who used to make a small living for himself and the horse by collecting junk to sell it. The price of food and oats went up faster than the price of junk. He had to start cutting back a few grains a day on the horse's oats until one day he gave him no oats at all.

The next day when he went to the shed and found him lying on the floor, he said: "Look at that ungrateful beast, just when I taught him to live on nothing he goes and dies on me".

That is about the effect of this Tory unemployment insurance scheme. They did not consult the unemployed about it. They did not consult labour about it. They were very careful not to. The Minister of course made that point when she met with the Standing Committee on Labour, Employment and Immigration. They did not dare issue the impact studies which they had done prior to presenting this law because they knew, of course, that it would provide ammunition to people who objected to the law. They did not dare allow the Standing Committee of Labour, Employment and Immigration to do any travelling to visit the people of Canada to discuss the Minister's proposal before the debate in the House, which would have been the normal way to approach it.

In the previous Parliament, they made sure that the Minister violating the Standing Orders of this House gave no comprehensive answer at all to the very thorough report of the Standing Committee on Labour, Employment and Immigration evaluating the Forget report.

It is clear that this Government, by refusing to consult the people most directly affected by this Bill, have decided it is not interested in helping the working people of Canada. It is interested in controlling them. That, of course, is the goal of many, many lobbyings by business groups such as the Business Council on National Issues which wanted this Government for years to cut back much more severely on unemployment insurance. In fact, it was cut for political purposes, not for budget purposes. If they wanted to save the deficit, they could have brought down the interest rate. They were rather more interested in increasing the wealth of the rich and in controlling the workers with meaner regulations than have been seen in this country since the Great Depression.

• (0100)

[*Translation*]

Mr. Deputy Speaker (M. Paproski): Pursuant to Standing Order 67, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the amendment and the main motion now before the House.

[*English*]

The question is on the amendment.

Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

Call in the Members.

The House divided on the amendment (Mr. Allmand) which was negatived on the following division:

• (0110)

(*Division No. 48*)

YEAS

Members

Allmand	Althouse
Anawak	Angus
Arseneault	Assad
Axworthy (Saskatoon—Clark's Crossing)	Barrett
Bélair	Bellemare
Benjamin	Bevilacqua
Black	Blackburn (Brant)
Blondin	Boudria
Brewin	Butland
Caccia	Callbeck
Campbell (South West Nova)	Catterall
Clancy	Comuzzi
Crawford	de Jong
Dionne	Duhamel
Ferguson	Finestone
Fisher	Fontana
Foster	Fulton
Gagliano	Gardiner
Gauthier	Gray (Windsor West)
Grey (Beaver River)	Guarnieri
Harb	Harvey (Edmonton East)
Heap	Hopkins
Hovdebo	Hunter
Jordan	Kaplan
Karpoff	Keyes
Kilger (Stormont—Dundas)	Kristiansen
Langan (Mission—Coquitlam)	Langdon (Essex—Windsor)
Laporte	LeBlanc (Cape Breton Highlands—Canso)
Lee	MacAulay
MacDonald (Dartmouth)	MacLaren
Maheu	Manley
Marchi	Marleau
McCurdy	McGuire
McLaughlin	Mifflin
Milliken	Mills
Mitchell	Murphy

Unemployment Insurance Act

Nystrom
Pagtakhan
Parker
Pickard
Prud'homme
Riis
Robinson
Rompkey
Skelly (Comox—Alberni)
Stewart
Taylor
Vanclief
Waddell
Wappel
Wood
Young (Beaches—Woodbine)—103

Ouellet
Parent
Phinney
Proud
Rideout
Robichaud
Rocheleau
Simmons
Speller
Stupich
Turner (Vancouver Quadra)
Volpe
Walker
Whittaker
Young (Gloucester)

NAYS

Members

Anderson
Atkinson
Beatty
Bernier
Bird
Blackburn (Jonquière)
Blenkarn
Bouchard (Roberval)
Brightwell
Campbell (Vancouver Centre)
Chadwick
Clark (Yellowhead)
Clifford
Collins
Cooper
Corbett
Couture
Darling
de Cotret
Desjardins
Dobbie
Dorin
Fee
Ferland
Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)
Guilbault
Halliday
Hicks
Holtmann
Horning
Hughes
Johnson
Jourdenais
Koury
Larrivée
Leblanc (Longueuil)
Littlechild
Lopez
MacDougall (Timiskaming)
Malone
Martin (Lincoln)
Mazankowski
McDermid
McKnight
Merrithew
Nicholson
Oberle
Plamondon
Porter
Reid
Richardson
St-Julien
Shields
Sobeski
Sparrow
Tardif
Thompson

Andre
Attewell
Belsher
Bertrand
Bjornson
Blais
Bosley
Bourgault
Browes
Cardiff
Champagne (Champlain)
Clark (Brandon—Souris)
Cole
Cook
Corbeil
Côté
Crosby (Halifax West)
DeBlois
Della Noce
Dick
Domm
Duplessis
Feltham
Fontaine
Gérin
Greene
Gustafson
Harvey (Chicoutimi)
Hockin
Horner
Hudon
Jelinek
Joncas
Kempling
Langlois
Layton
Lewis
Loiselle
MacDonald (Rosedale)
MacKay
Marin
Mayer
McCreath
McDougall (St. Paul's)
McLean
Monteith
Nowlan
O'Kurley
Plourde
Pronovost
Reimer
Robitaille
Scott (Victoria—Haliburton)
Siddon
Soetens
Stevenson
Thacker
Thorkelson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Van de Walle
Venne
Vien
White
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)

Tremblay (Lotbinière)
Valcourt
Vankoughnet
Vézina
Vincent
Wilbee
Winegard—131

The Acting Speaker (Mr. Paproski): I declare the amendment lost.

The next question is on the main motion.

Mr. Gauthier: I may be anticipating things a little, but I think you would find, Mr. Speaker, unanimous consent to apply the vote taken on the amendment to the main motion, but this time in reverse.

• (0130)

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

Some Hon. Members: Agreed.

The House divided on the motion (Mrs. McDougall), which was agreed to on the following division:

(*Division No. 49*)

YEAS

Members

Anderson
Atkinson
Beatty
Bernier
Bird
Blackburn (Jonquière)
Blenkarn
Bouchard (Roberval)
Brightwell
Campbell (Vancouver Centre)
Chadwick
Clark (Yellowhead)
Clifford
Collins
Cooper
Corbett
Couture
Darling
de Cotret
Desjardins
Dobbie
Dorin
Fee
Ferland
Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)
Guilbault
Halliday
Hicks
Holtmann
Horning
Hughes
Johnson
Jourdenais
Koury
Larrivée
Leblanc (Longueuil)
Littlechild
Lopez
MacDougall (Timiskaming)
Malone
Martin (Lincoln)

Andre
Attewell
Belsher
Bertrand
Bjornson
Blais
Bosley
Bourgault
Browes
Cardiff
Champagne (Champlain)
Clark (Brandon—Souris)
Cole
Cook
Corbeil
Côté
Crosby (Halifax West)
DeBlois
Della Noce
Dick
Domm
Duplessis
Feltham
Fontaine
Gérin
Greene
Gustafson
Harvey (Chicoutimi)
Hockin
Horner
Hudon
Jelinek
Joncas
Kempling
Langlois
Layton
Lewis
Loiselle
MacDonald (Rosedale)
MacKay
Marin
Mayer

Mazankowski
McDermid
McKnight
Merrithew
Nicholson
Oberle
Plamondon
Porter
Reid
Richardson
St-Julien
Shields
Sobeski
Sparrow
Tardif
Thompson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Van de Walle
Venne
Vien
White
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
McCreath
McDougall (St. Paul's)
McLean
Monteith
Nowlan
O'Kurley
Plourde
Pronovost
Reimer
Robitaille
Scott (Victoria—Haliburton)
Siddon
Soetens
Stevenson
Thacker
Thorkelson
Tremblay (Lotbinière)
Valcourt
Vankoughnet
Vézina
Vincent
Wilbee
Winegard—131

NAYS

Members

Allmand
Anawak
Arseneault
Axworthy (Saskatoon—Clark's Crossing)
Bélair
Benjamin
Black
Blondin
Brewin
Caccia
Campbell (South West Nova)
Clancy
Crawford
Dionne
Ferguson
Fisher
Foster
Gagliano
Gauthier
Althouse
Angus
Assad
Barrett
Bellemare
Bevilacqua
Blackburn (Brant)
Boudria
Butland
Callbeck
Catterall
Comuzzi
de Jong
Duhamel
Finestone
Fontana
Fulton
Gardiner
Gray (Windsor West)
Grey (Beaver River)
Harb
Heap
Hovdebo
Jordan
Karpoff
Kilger (Stormont—Dundas)
Langan (Mission—Coquitlam)
Laporte
Lee
MacDonald (Dartmouth)
Maheu
Marchi
McCurdy
McLaughlin
Milliken
Mitchell
Nystrom
Pagtakhan
Parker
Pickard
Prud'homme
Riis
Robinson
Rompkey
Skelly (Comox—Alberni)
Stewart
Taylor
Vanclief
Waddell
Wappel
Wood
Young (Beaches—Woodbine)—103
Guarnieri
Harvey (Edmonton East)
Hopkins
Hunter
Kaplan
Keyes
Kristiansen
Langdon (Essex—Windsor)
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
MacLaren
Manley
Marleau
McGuire
Mifflin
Mills
Murphy
Ouellet
Parent
Phinney
Proud
Rideout
Robichaud
Rocheleau
Simmons
Speller
Stupich
Turner (Vancouver Quadra)
Volpe
Walker
Whittaker
Young (Gloucester)

The Acting Speaker (Mr. Paproski): I declare the motion carried.

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

The Acting Speaker (Mr. Paproski): It being 1.30 a.m., this House stands adjourned until later this day at 11 a.m., pursuant to Standing Order 24(1).

The House adjourned at 1.33 a.m.

HOUSE OF COMMONS

Thursday, June 22, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

EMERGENCY PREPAREDNESS (CANADA)

TABLING OF FIRST ANNUAL REPORT

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, pursuant to Section 150(1) of the Financial Administration Act and Standing Order 32(2), I have the honour to table, in both official languages, the first annual report of Emergency Preparedness (Canada).

* * *

COMMITTEES OF THE HOUSE

STRIKING COMMITTEE—ELEVENTH REPORT OF STANDING COMMITTEE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I have the honour to present the eleventh report of the Striking Committee. If the House would give its consent, I intend to move concurrence in this report later. We would ask that at that time that we dispense with the usual reading by the Clerk as it is simply membership changes.

Mr. Speaker: Is that agreed?

Some Hon. Members: Agreed.

FINANCE—FIRST REPORT OF STANDING COMMITTEE

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I have the honour of presenting in both official languages, the first report of the Standing Committee on Finance, in relation to Canada's monetary policy.

[*Translation*]

The Finance Committee therefore recommends:

1. That the Bank of Canada moderate its monetary policy and not resist downward market pressure on interest rates, whatever the consequences for the value of the Canadian dollar abroad.

2. That the Government consider the advisability of relying less on short-term debt by considerably modifying its debt structure in favour of the longer term, as market conditions permit.

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

* * *

DEPARTMENT OF FORESTS ACT

MEASURE TO ESTABLISH

Hon. Frank Oberle (for the Prime Minister) moved for leave to introduce Bill C-29, an Act to establish the Department of Forestry, to amend the Forestry Development and Research Act and to make related amendments to other Acts.

Mr. Speaker: Is it the pleasure of the House to grant the Minister leave to introduce the Bill?

Some Hon. Members: Agreed.

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

Mr. Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

JUDGES ACT

MEASURE TO AMEND

Hon. Doug Lewis (for the President of the Treasury Board) moved for leave to introduce Bill C-30, an Act to amend the Judges Act.

Mr. Speaker: Is it the pleasure of the House to grant the Minister leave to introduce the Bill?

Some Hon. Members: Agreed.

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

Mr. Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

• (1110)

[*English*]

BUSINESS OF THE HOUSE

SUPPLEMENTARY ESTIMATES (A)

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, there have been discussions among the Parties and I think you will find there is unanimous consent for the following motion to be put immediately and voted upon without debate.

I move:

That immediately upon adoption of the motion to concur in the Supplementary Estimates (A), for the fiscal year ending 1989–90, the Appropriation Bill based thereon shall be introduced; and

That, notwithstanding Standing Order 71, the said Bill may be advanced through two or more stages in the same sitting; and

That, no later than two hours after the introduction of the said Bill, the Speaker shall interrupt any proceedings then under way, and every question necessary to dispose of the then remaining stage or stages of the Bill shall be put forthwith and successively without debate or amendment.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

COMMITTEES OF THE HOUSE

STRIKING—CONCURRENCE IN ELEVENTH REPORT OF STANDING COMMITTEE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, relating to the consent earlier given by the House, I move, seconded by the Hon. Member for Ottawa-Vanier (Mr. Gauthier), that the eleventh report of the Striking Committee presented to the House earlier this day be concurred in.

Mr. Speaker: Does the Hon. Member have the unanimous consent of the house to move the motion?

Some Hon. Members: Agreed.

Mr. Speaker: Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

PETITIONS

IMMIGRATION—REFUGEE CLAIMANTS

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, it is my honour and duty and my pleasure to present a petition duly certified by the Clerk from over 200 people in Trinity—Spadina and other parts of Toronto who are concerned about what may happen to over 120,000 people now in Canada who are in the refugee backlog from previous years because some of them do not have work permits with which to maintain themselves or they want to work. They will all be examined in a way that may be unfair or inadequate on humanitarian considerations, the grounds of humanitarian or compassionate consideration to include the presence in Canada of relatives and the successful establishment of refugee claimants in Canada. They want special consideration for those refugee claimants from war zones, under oppressive Governments and affected by natural disasters.

[*Translation*]

REQUEST THAT THE GOVERNMENT INCREASE ITS CONTRIBUTIONS TO THE PROVINCES TO FINANCE HEALTH SERVICES AND HOSPITALS

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, I have the privilege of tabling today, on behalf of many constituents in the riding of Papineau-Saint-Michel, a petition signed with great enthusiasm, at the request of our colleague, the Hon. Member for Laurier—Sainte-Marie (Mr. Malépart). The undersigned are asking the Canadian Government to increase payments to the provinces to help finance hospital care, and more specifically, to earmark $4 billion for research on cures for AIDS, cancer and heart disease and to help Canada's hospitals acquire the equipment and instruments they need to alleviate the suffering of their patients.

OPPOSITION TO CERTAIN CHANGES CONCERNING THE UNEMPLOYMENT INSURANCE PROGRAM

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, I have another petition which it is my privilege to present on behalf of the constituents of the riding of Papineau—Saint-Michel, who signed this petition at the invitation of my colleague, the Hon. Member for Notre-Dame-de-Grâce (Mr. Allmand). The undersigned believe that the Government of Canada erred in its proposals to make considerable cuts in unemployment insurance benefits, to impose stricter conditions for eligibility and to reduce the benefit period.

The undersigned are particularly incensed that the Canadian Government will stop paying its share of $2.9 billion into the unemployment insurance fund, leaving the program's financing up to workers and their employers.

[*English*]

NATIONAL ARTS CENTRE ORCHESTRA

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have the honour to present a petition from constituents of Ottawa—Vanier and from many communities within that riding to the effect that they consider the National Arts Centre Orchestra an excellent world-class orchestra which has brought fame to Canada and its capital city.

Whereas the petitioners believe that the NAC orchestra is in imminent danger of being damaged or even destroyed, and whereas they consider the present management to have proved itself to be incompetent and inadequate in artistic matters, the undersigned petition this House that, as a matter of priority, to ensure that the National Arts Centre maintain its orchestra at its current size and present standard of excellence, and ensure that sound cultural credentials be the main criterion for any new appointments to the NAC board of trustees.

[*Translation*]

LEBANON—REQUEST THAT GOVERNMENT INTERVENE

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, I have the privilege of presenting a petition signed by more than 4,000 people from Montreal, asking the Government to do something about the terrible situation in Lebanon.

The undersigned are worried about their relatives and friends who are still living in Lebanon, in these difficult circumstances.

For Lebanese citizens, life is a daily struggle. A shortage of medical care, electric power and even drinking water makes life very difficult and sometimes intolerable.

The undersigned are asking the Government to bring pressure to bear to stop the useless killing in Lebanon and to demand the immediate withdrawal of all non-Lebanese armed forces and militia from Lebanese territory.

I wish to join the undersigned in asking the Government to show support for the independence of Lebanon and the security of its citizens.

[*English*]

EXTRADITION LAW AMENDMENTS

Mr. John Reimer (Kitchener): Mr. Speaker, it is with pleasure that I rise to present a petition containing 3,370 signatures certified pursuant to Standing Order 36, which are to be added to some 53,000 already submitted by other Members of this House.

The petitioners behind these thousands of signatures call upon the Government of Canada to revise its extradition laws in order that we may prevent Canada from becoming a haven for escaped convicts, convicted murderers and those charged with a commission of atrocious crimes in the United States.

The petitioners humbly pray that the Government of Canada address the problem immediately.

OFFSHORE HYDROCARBON EXPLORATION

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, considering that today there is a massive rally taking place in British Columbia against the logging of Carmanah Valley, I think it is appropriate that I present this petition on behalf of a number of British Columbians who are also concerned about another environmental issue, namely, the exploration and development of oil and natural gas off the West Coast of Canada. They are calling upon Parliament to do whatever we can to encourage the Government to prohibit any type of exploration for these kinds of activities off the West Coast.

Point of Order—Mr. Heap

VICTIMS OF VIOLENCE

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, I am very honoured today to rise in the House under Standing Order 36 to present a petition supporting the victims of violence. My petition represents signatures of 1,267 residents from across Canada who call upon the Government for tougher laws under the criminal justice system.

• (1120)

NATIONAL ARTS CENTRE ORCHESTRA

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I am pleased to add to the already hundreds of people who have pleaded with the House to pay close attention to what is going on with the National Arts Centre orchestra, a world-class orchestra which has brought fame to Canada and its capital city. I would remind Hon. Members that the orchestra was created at the instance of the House and belongs to the people of Canada.

Whereas we believe that the National Arts Centre orchestra is in imminent danger of being damaged or even destroyed, and whereas we consider the present management to have proved itself to be incompetent and inadequate in artistic matters, the undersigned add their names, and ask that as a matter of priority, we ensure that the National Arts Centre maintain its orchestra at its current size and present standard of excellence, and they wish that we ensure that sound cultural credentials be the main criteria for any new appointments to the National Arts Centre board of trustees.

* * *

QUESTIONS ON THE ORDER PAPER

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

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

POINT OF ORDER

CLARIFICATION OF STANDING ORDER 57

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I would ask your assistance in clarifying a point concerning what happens at the closing of debate under closure, Standing Order 57, which says that no Member shall rise to speak after one o'clock.

Last night, I rose to speak at about two or three minutes to one with the understanding that under that Standing Order, I would be able to complete my 20 minutes. Some of the rowdies on the Government side were yelling time, time, time. The Speaker caught my eye and was making wind-up motions with his hands, so I asked him how much time have I left. He did not answer me but he spread his hands as much as to say, you know, no more. So foolishly, I sat down rather than force him to stand up and answer my question.

I would like a clarification for myself and for others who may be debating close to the one o'clock hour during closure as to whether it is correct to interpret that as meaning that I could have finished and should have been told by the Speaker that I could finish my 20 minutes.

Mr. Speaker: First, I want to thank the Hon. Member for Trinity—Spadina (Mr. Heap) for letting the Chair have notice of this matter. I have, as I am sure others have, looked at *Hansard* and what the Hon. Member for Trinity—Spadina relates does not show up in *Hansard*. However, I have made inquiries this morning and I understand that the question asked by the Hon. Member for Trinity—Spadina with respect to whether he had more time or not does come through on the tape.

The point the Hon. Member makes is an important one. I would ask his co-operation to let the Chair consider the matter, and I will report back very quickly with respect to the situation.

I also want to point out to Hon. Members that I thank the Hon. Member for Trinity—Spadina for the way he has put his point of order. He is asking for clarification, and I am grateful that he is not putting the Chair in the position of having to contemplate whether or not the vote that followed is invalid. I think I can advise Hon. Members that the vote would have to stand, but I appreciate the way the Hon. Member has put the point of order, and I will come back very shortly with clarification.

GOVERNMENT ORDERS

[*Translation*]

STATUTE LAW (SUPERANNUATION) AMENDMENT ACT

MEASURE TO AMEND

Hon. Robert de Cotret (President of the Treasury Board) moved that Bill C-24, an Act to amend certain legislation respecting superannuation and other pensions, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, it is a pleasure to introduce the second reading of Bill C-24, a Bill that proposes to remove from a number of Public Service superannuation laws, the Members of Parliament Retiring Allowances Act and the Pension Act as it applies to disabled veterans, certain restrictions on survivors' benefits based on age and marital status.

First of all, I would like to point out that the tabling of this Bill at the beginning of the second session of Parliament testifies to the Government's sustained interest in and commitment to the reform of our pension legislation.

[*English*]

Bill C-24, entitled the Statute Law (Superannuation) Amendment Act, would amend the superannuation plans for federal public servants, members of the armed forces and the RCMP, certain non-career diplomats and Members of Parliament. It would also amend certain provisions of the Pension Act which apply to disabled veterans. Because the Minister of Veterans Affairs (Mr. Merrithew) will speak to the effects of this Bill on veterans' pensions, I will confine my remarks to the changes the Bill proposes for the Public Service plans.

The first change proposed under the Bill would remove the provisions which suspend or terminate a surviving spouse's allowance in the event that the surviving spouse remarries. Removing this provision would confer lifetime entitlement to a survivor's pension on an eligible recipient.

Second, the Bill removes in four of the Public Service plans provisions calling for a reduction in the amount of a surviving spouse's pension when a survivor is 20 or more years younger than the plan member. Third, the Bill removes the provisions which disentitled the child of a deceased plan member to a student allowance if the student is married after reaching age 18.

A fourth change which has very limited application removes the provision under the RCMP Pension Continuation Act and the Defence Services Pension Continuation Act that a son's entitlement ceases at age 18 whereas an unmarried daughter retains benefits until age 21. The Bill provides that the children's benefits continue until age 21 regardless of marital status.

[*Translation*]

Under these pension plans, some surviving spouses elected, when they remarried, to receive a lump sum instead of having their benefits suspended. Since these benefits will now be reinstated, the lump sums paid will have to be paid back to the pension fund accounts. I can assure Hon. Members that everything will be done to ensure that the reimbursement process is handled with sensitivity and compassion. We would like to see the regulations provide for a reimbursement process similar to that being used now to recover overpayments from other survivors. This means that 10 per cent of the reinstated pension would be collected to pay for the lump sum payment, and there would be no extra charges. However, individuals may opt to increase or decrease this percentage, depending on their financial circumstances.

The Government estimates that about 2,200 surviving spouses will benefit from the elimination of the provision on remarriage which was part of the Public Service plans. The other changes will affect a smaller number of people. There may be as many as 500 surviving spouses receiving reduced benefits on the basis of an age difference of 20 years or more. The Government estimates that the additional benefit payments to be paid annually as a result of these changes will total $11 million.

Mr. Speaker, I believe all Hon. Members will be pleased to hear that the Bill provides, as of the effective date of the legislation, for the reinstatement of suspended or reduced benefits in the case of individuals who were affected by these provisions. I would like to point out to the House that those responsible for operating the pensions plans in question will make every effort to find every individual whose benefits were

suspended, reduced or terminated as result of the provisions that the present Bill is supposed to eliminate.

• (1130)

[*English*]

It is a pleasure to present a Bill of this nature which complements other major pension reforms that the Government has brought into being through substantive amendments to the Pension Benefits Standards Act, the Canada Pension Plan, and the Judges Act.

On a final note, I am aware that there are number of outstanding and important pension issues which need to be addressed in the public service plans. Agreement on some of these matters has already been reached with plan members, while other matters need further consultation. The Government will resume, where it is appropriate, consultations with plan members, their representatives, and pensioners. Public service pension reform is a priority matter with me, and I look forward to returning to the House with a comprehensive pension Bill in the not too distant future.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, it is a pleasure to rise this morning to extend my compliments to the President of the Treasury Board (Mr. de Cotret) for doing the honourable thing for the widows, widowers, and children of federal pensioners.

After four long years, he has managed to overcome the inertia of his Government and table a Bill that is a first step toward bringing federal pensions in line with the equality provisions of the Canadian Charter of Rights and Freedoms. At last, the survivors of those who worked for the people of Canada will not have to choose between "living in sin" to continue receiving income they relied on for their retirement years, or remarrying and forgoing a pension to which they are entitled.

In 1985, the report *Equality for All* recommended that federal superannuation legislation be amended to remove the discriminatory provisions that offended Section 15 of the Charter, on the basis of marital status, gender or age.

Specifically, the report recommended the repeal of provisions terminating pension benefits for a surviving spouse who remarried, for surviving children who married, or reducing pensions to survivors more than 20 years younger than the pensioner, the so-called "sugar daddy" clause. These are the recommendations the Bill before us today finally implements.

In its response to the report in 1986 entitled *Towards Equality*, the Government stated that it was studying these amendments as part of the public service pension reform process then taking place. In fact, for other pensioners, it did implement those changes. The Canada Pension Plan was amended effective January 1, 1987, and the Pension Benefits Standards Act of December 1985 covering agencies under federal jurisdiction also ensured the continuation of benefits upon remarriage.

Yet when the report on public service pension reform was tabled by the Minister in June 1986, it left the discriminatory features in federal superannuation legislation for future consideration by a yet non-existent pension management board. Future consideration may be acceptable in trading hockey players. It is not acceptable when dealing with people's livelihoods.

The next stage in this saga was the introduction of the infamous Bill C-33 to reform public service pension legislation. It removed guaranteed indexing from federal pension plans, but did nothing to remove glaring inequities based on marital status, gender, and age. That Bill died on the Order Paper two years later as the Government faced an election and the wrath of a quarter of a million public service employees across Canada.

In bringing forward this Bill today for second reading, the Minister is doing more than correcting contraventions of the Charter. He is also saving the taxpayers of Canada a very hefty legal bill. Lest anyone believe that this Bill is motivated by a new spirit of generosity or concern for the deprivation of widows, widowers, and children of federal pensioners, let me draw the attention of the House to the more likely motivation. A court case was launched on April 13 of this year by the Federal Superannuates National Association.

The association has applied to the Federal Court of Canada for a declaration that the termination of pension benefits based on marital status is unconstitutional. In the case of the particular plaintiff, the application seeks reinstatement of the pension, reimbursement of lost

pension benefits, costs, and "such further and other relief as the honourable court deems just".

The Minister has moved wisely and quickly to avoid a lengthy legal battle that would be both costly to the Government, embarrassing, and could have had even more far-reaching results than the Bill before the House today. A guarantee of fairness is an essential element of a good pension plan. Bill C-24 is a long awaited and positive step in that direction.

No one can disagree that those changes are necessary, long overdue, and deserve to be passed without delay. After so many years of inaction, surviving family members are finally getting the benefits to which they have been entitled for so long. They are finally being treated with fairness and without discrimination.

Another change which may not elicit as much attention, but is nonetheless welcome, is the removal of gender based language in the Acts. The law will now recognize that pensioners and survivors may be either men or women, that a child may be either a son or a daughter, and should be treated equally regardless. It will recognize that even Senators—heaven forbid—may be survived by a spouse who is not necessarily a widow.

However, I have several concerns I wish to raise which prevent me from heaping too much praise. First, there is no retroactivity provision in the Bill before us. Benefits will be reinstated from the day the Act comes into force with no compensation provisions for the time benefits were suspended. This means that a surviving spouse, regardless of whether he or she was without benefits for 20 months or 20 years, will get no restitution for past injustices.

Conversely, where a lump sum payment was arranged for survivors in lieu of ongoing benefits, that money will have to be entirely repaid either in a lump sum or by regular monthly deductions, again with no compensation for how long the discriminatory effect was experienced.

I have sought and received the assurances of the Minister, and I am pleased to hear them repeated today, that the regulations to be introduced will allow beneficiaries a wide choice of how they can make the repayment, so that it will not be an onerous obligation, eating away at their restored income.

There are other inequities that still need to be addressed, including the status of common law spouses, discrimination based on age at the time of marriage, and different levels of benefits among different groups of pensioners.

Another essential to survivors' benefits pension reform is the one basic, long awaited change, still unfulfilled—an increase in benefits. Survivors of superannuants in Crown corporations have, for several years now, enjoyed an increase in their pensions to 60 per cent while those of federal pensioners still receive only 50 per cent.

• (1140)

This can perhaps be likened to the story of the shoemaker who provides customers with high quality footwear and careful service while the employees work barefoot. It is all too easy to be cynical about this omission and to believe that the Government is holding this basic entitlement back as a bargaining chip for future pension reform measures which may not be as well received.

If the world were a predictable place with all trends, economic and otherwise, following a clearly defined pattern, then pension plans would be relatively simple and non-contentious. However, many of us in this House know all too well that things do not always go the way we expect them to go. Pension plans by their very definition are the means to guaranteeing a secure future for ourselves and our families when we retire.

Given the unpredictability of our world, this process involves a delicate balance of understanding past trends and educated crystal ball gazing, all the while keeping in mind the best interests of all the contributors and remembering that they have bought and paid for the benefits accrued from their investment. Certain guarantees must be built into any plan to ensure it does not become simply a forced saving with no worth-while investment value. Thus I would like to reiterate some basic principles which must be guarded jealously in future pension reform.

First, the terms "indexed" and "pension" can never be far apart in a discussion of pension reform. We in the

Official Opposition believe that an unindexed pension is no pension at all. Without indexation the investment value is simply an illusion for contributors.

Second, the federal pension plan must be credited with a rate of return at least comparable to the best managed private pension plan. This is not the case now. Existing rights and benefits must not be forfeited in exchange for equity and return on investment.

Last, the pension fund must be managed jointly by the employer and the contributors. This will ensure the recognition that all parties "own" the fund.

Bill C–42 is a positive first step on the long road to federal pension reform. I commend the employees and the pensioners for their persistence in seeking equity. I also commend my colleague, the Hon. Member for Ottawa—Vanier (Mr. Gauthier) for his unwavering support of their cause, and the Minister for acting before the courts forced it upon him.

However, I must remind the House that this is an area in which the Government has a long way to go towards properly providing for its own employees. The shoemakers are far from taking proper responsibility for their employees and for paying proper attention to the needs, wants, and working conditions of their workers.

Some Hon. Members: Hear, hear!

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, first, it is a pleasure to speak in a positive manner from the opposition benches on this Bill. The Government is to be commended for bringing forward these long overdue provisions to ensure that surviving spouses are included.

This long overdue reform restores benefits to about 6,700 surviving spouses of public servants whose benefits have been discontinued upon their remarriage. Reform to survivors' benefits is especially important to women in Canada. Some 60 per cent of women in Canada aged 65 and older live below the poverty line. A majority of these women, approximately 70 per cent, live their final years alone. The reality is that women are most often the recipients of survivor benefits, and women have the most need for legislation to protect those benefits.

In its 1985 report, the parliamentary committee on equality rights recommended the repeal of the provisions of the Canada Pension Plan and federal superannuation plans which required the termination of benefits to surviving spouses upon remarriage, and the reduction of benefits for survivors 20 or more years younger than the deceased contributor. To terminate benefits for survivors who remarried and to reduce benefits for survivors more than 20 years younger than their spouses clearly discriminated on the basis of marital status and age in violation of Section 15 of the Charter of Rights and Freedoms.

In its response to its report the Government indicated that these changes would be introduced to the Canada Pension Plan to take effect in January 1987, and that they would be studied in the course of the public service pension reform process. It has been almost four years since the committee on equality rights first tabled its report, and more than a year since the recommended changes were introduced to the Canada Pension Plan. While the reforms contained in Bill C–24 are certainly welcome, we must not forget the frustrating period of delay which preceded the introduction of this Bill.

The frustrations of the delay prompted action. In April of this year the Federal Superannuates National Association, which represents 250,000 Canadians who receive federal pensions, launched a Charter challenge based upon discriminatory provisions of the survivors' benefits legislation. The FSNA should be congratulated for its hard work on behalf of federal superannuates and for launching a challenge which provided an impetus for the legislation now before the House.

It is important to note, however, that in the statement of claim filed with the challenge, the federal superannuates asked not only for reinstatement of survivor benefits which had been terminated upon remarriage but also for full payments of all benefits lost as a result of the disentitlement. I refer specifically to the case in the Federal Court of Canada, Trial Division, *Nona Horswill v. Her Majesty The Queen in the right of Canada*.

In the statement of claim, specifically paragraph 8(d), judgment for such amount of the annual allowance as the plaintiff has not received as a result of the payment having been suspended is asked for. In other words, in that particular case retroactivity is being asked for. Bill C–24 makes no provision for such retroactivity. If we are to recognize the entitlement of remarried survivors to future benefits following the passage of this legislation,

we must also recognize their entitlement to past benefits denied by the present legislation.

It is disappointing that the Bill does not provide retroactive payment of benefits. It is also disappointing that the Bill does not address the other issues of concern to federal superannuates.

Another recommendation of the parliamentary committee on equality rights was to repeal the provisions of federal superannuation plans disentitling surviving spouses to benefits when the marriage took place after the contributor's retirement or, in the case of the Royal Canadian Mounted Police and the Canadian Forces Superannuation Acts, after the contributor reached 60 years of age. Again, these provisions are clearly contrary to the Charter, I would suggest. Where survivor benefits are provided, they should be available regardless of the date of marriage.

Bill C-24 does nothing to adjust the rate of survivor benefits. Amendments to the Pension Benefits Standards Act, which took effect in January 1987, require the provisions of survivor benefits equal to at least 60 per cent of the contributor's retirement benefit. While the Canada Pension Plan was amended to reflect this requirement, federal superannuation plans provided a survivor benefit equal to only 50 per cent of the contributor's retirement pension. It is time that the Government brought federal superannuation plans in to line with the Pensions Benefits Act.

Further, this legislation does not address the plight of common law spouses. Some superannuation plans allow Treasury Board full discretion in awarding a survivor benefit to a common law spouse. This means that a survivor benefit may be denied to a common law spouse of a contributor, even where there is no other person claiming to be the spouse.

As required by the PBSA, superannuation legislation must be amended to recognize common law relationships. Both common law and legal marriage must be fully recognized as giving rise to spousal pension rights, such as the splitting of pension credits and entitlement to survivor benefits.

The splitting of pension credits is another important issue which must be addressed. Ex-service wives are especially disadvantaged by the present discriminatory provisions of the Canadian Forces superannuation plan. Ex-service wives often find themselves in situations of dire poverty even if their ex-spouses agree to full diversion of pension credits. Unlike the PBSA, there are no provisions currently in the Canadian Forces Superannuation Act to enable a splitting of pension credits to take place upon marriage breakdown.

• (1150)

The wives of Royal Canadian Mounted Police personnel may also find themselves without a survival benefit upon the death of their spouse because the original legislation did not provide for survivor benefits.

While a separate fund was established to allow members of the RCMP to contribute to the provisions of the survivor benefits, there is no mechanism to provide survivor benefits to the survivors of RCMP members who either did not pay into the fund or who withdrew their contributions to the fund.

While the Pension Benefits Standards Act covers workers in federally regulated industries throughout Canada, the largest federal employer in the country, the federal Government, is yet exempt from its provisions. The PBSA deals with important pension issues, including portability, vesting, locking in, pension splitting upon divorce, and early retirement. Treasury Board has responsibility to address these issues in any superannuation legislation it introduces.

The PBSA requires that both full-time workers have access to pension plans after two years of employment, and part-time workers with earnings above $9,000 per year. The right of workers to participate in a pension plan is an important right which must be fully protected. However, all workers should be entitled to participate in a pension plan regardless of their annual level of earnings.

The PBSA requires that benefits be vested after two years participation in a pension plan. Government has a responsibility to ensure that employers honour their pension obligations by vesting pension benefits. The vesting provisions of the PBSA are important ones which must be thoroughly applied to public service pensions.

Bill C-33, which died on the Order Paper in the last session of Parliament, was to address some of these issues by establishing a joint pension management board. However, Bill C-33 empowered Treasury Board to override the decision of the board. It also included the

abolition of guaranteed indexing for public service pensions.

Reform of public service pensions is long overdue. Reform must address all of these issues through a system of joint management with equal representation from employees, present retirees, and management. However, it must make no attempt to deny or withhold full and guaranteed pension indexing for all present and future public service superannuants. On the whole this Bill before the House is desirable, but in my remarks I have attempted to show some of the matters we should look at in the future.

Hon. Gerald S. Merrithew (Minister of Veterans Affairs): Mr. Speaker, it is certainly not my intention to hold up unduly the debate and timely passage of this Bill today, but I want to thank my colleague, the President of the Treasury Board (Mr. de Cotret), and indeed all my colleagues for their co-operation in ensuring that a number of spouses of veterans will also benefit from this welcome legislation.

The House will know that pensions are paid to veterans and their survivors as compensation for death and disability incurred during wartime service or as compensation for the time spent as a prisoner of war. As is the custom in a number of programs, remarriage causes surviving spouses to forfeit ongoing pension rights. In the case of our veterans, we are more generous in that we give a one year lump sum to the surviving spouse before the pension is terminated. Of course, this was a special privilege awarded to survivors of that very special group of Canadians, our veterans.

[*Translation*]

Mr. Speaker, the amendments made to the Pension Act by Bill C-24 will not only help surviving spouses but will also protect the pension rights of children, brothers and sisters under 25 who choose to marry.

[*English*]

We estimate that an average number of 100 surviving spouses of pension veterans remarry each year. In addition, those who have lost their pension over the years through remarriage will, of course, be eligible to apply for reinstatement. We estimate there are some 4,500 surviving spouses in this position. Once this legislation is passed we will do everything we can to let them know the good news. We estimate the cost to be approximately $28 million annually.

In conclusion, I very much the appreciate the co-operative gesture that has been made by both opposition Parties so that we will have swift passage of this piece of important legislation. It will certainly give great comfort to our veterans and indeed to other retired members of the Public Service.

Mr. Crosby: Mr. Speaker, I rise on a point of order. I understand from discussions that if you were to ask you would find unanimous consent to have this Bill referred to Committee of the Whole House immediately upon completion of debate, and officials could be invited to appear before the House at that time. Possibly the Hon. Member for Ottawa-Vanier could indicate whether that is his position.

Mr. Gauthier: Mr. Speaker, we agree to proceed with all stages of this Bill today, including third reading.

Mr. Riis: Mr. Speaker, we encourage support of that suggestion. We have a number of questions to put to the Minister, so I think it would be in order to move to Committee of the Whole as soon as possible.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I am pleased to participate in this debate. As was just said, an Opposition Member does not often have the opportunity to say that legislation under consideration is good, that we support it without any reservation and that for once the Government is presenting legislation that we think corrects existing inequities in the laws and that perhaps it should have made these corrections years ago.

I think this Bill C-24, after too much delay, rectifies some discriminatory sections in the pension legislation.

Mr. Speaker, the allowances now paid to surviving spouses of government pensioners, whether they were Public Service employees, veterans, Members of Parliament, Senators or members of the Royal Canadian Mounted Police, cease when they remarry; allowances paid to surviving children aged 18 to 25 who are students cease when they (re)marry.

In some cases, the allowances paid to the surviving spouse are reduced if the surviving spouse is more than 20 years younger than the contributor. The Bill before us corrects these inequities. Bill C-24 eliminates these sections. Allowances will continue to be paid to a surviving spouse who remarries. Surviving children aged 18 to 25 who are full-time students in a school or university continue and will continue to receive the allowances to which they are entitled, even if they marry.

And third, the allowances will not be reduced for surviving spouses who are more than 20 years younger than the contributor.

Mr. Speaker, I find it somewhat unfortunate, though, that the Government did not choose to bring in these amendments at the same time that it presented a similar law which we passed in 1987, Bill C-88 for the surviving spouses of judges. As we know, the Bill resulted from a recommendation of the Guthrie Commission in 1986, whose mandate was to study the salaries and benefits of judges.

In this report—and to clarify somewhat the Minister's statement that the Government is making this amendment as part of an overall plan, let us say frankly that constitutional considerations forced the Government to meet its obligations. I just want to quote a paragraph of the Guthrie Report: failure to amend the Judges Act (judges were the issue, but it can apply to federal civil servants) to permit continuation of survivors' benefits upon remarriage may raise serious legal questions involving equality rights. We therefore recommend the repeal of subsections 25(3) and 25(3.1) of the Judges Act.

Mr. Speaker, that is what the Government did. In my opinion, what was good for the judges, as I said in the debate then, is also good for public servants, military people, RCMP officers and all the other servants of the state who I think were considered second class citizens, because nothing was done for them.

That being said, I am for passing this Bill because it will finally bring our laws into line with section 15 (of the Charter) and also satisfy the recommendations of the Parliamentary Committee in *Towards Equality*, a report published in 1985 on the subject. I will not read all the recommendations, but anyone interested can refer to the document. It contains a whole series of recommendations that the Government bring the pension legislation into line with the Canadian Charter of Rights and Freedoms, which took effect, as we know, in 1985.

I shall come back to that shortly, because I think that the Government was at fault in refusing to make it retroactive to the proclamation of the Charter in 1985.

Mr. Speaker, on examining these pension plans, we see many deficiencies, inconsistencies and rather disturbing features still in the legislation.

I admit that the Minister told us that a more thorough and complete study of pensions would be done and that more comprehensive legislation might be presented in the fall.

• (1200)

[*English*]

I would like to draw to the attention of Members my preoccupation, and that of some of my colleagues on this side of the House, with certain other laws before us today to be amended in regard to re-marriage and the rights of the children of a married pensioner. There is a section entitled *Pension de retraite des Forces canadiennes*. I guess it is called The Armed Forces Superannuation Act or some wording of that nature.

[*Translation*]

Clause 33 contains provisions which I find absolutely unacceptable, Mr. Speaker.

In the Canadian Forces Superannuation Act—

[*English*]

I will read the Superannuation Act concerning military personnel, Section 31(1), because I think this is something that Members will want to correct. Section 31(1) deals with marriage after 60 years of age.

> Notwithstanding anything in this Act, the surviving spouse of a person is not entitled to any annual allowance under this Act if that person was over sixty years of age at the time of his marriage, unless, after that time, that person became or continued to be a contributor.

Another section that bothers me, Section 31(2), says:

> Notwithstanding anything in this Act, except as provided in the regulations a child who was born to or adopted by a person or who became the stepchild of a person at a time when that person was over sixty years of age is not entitled to any annual allowance under this Act, unless, after that time, that person became or continued to be a contributor.

Those two amendments are required to get away from these regressive and absolutely unacceptable Sections which fly in the face of constitutional rights that Canadians have.

Section 15, as we all know, came into force in 1985. Yet today we have a Bill that says that one could discriminate because of age, or marital status, and discriminate even though a person may be 60 years old and have a child from a marriage following retirement or following the death of the eligible contributor. However that child is not entitled to receive any benefits of the pension.

I believe that the Minister should really look at the possibility of amending that Act when it comes before us. There are divorce laws in this country. We have in Ontario the Family Law Reform Act which deals with separation. Any obligation incurred to support the children remains. In the Divorce Act of Canada it is mandatory that both parents contribute to maintenance, according to each person's ability to pay. The obligation cannot be wiped out. Every relevant piece of legislation that I looked up, for every province, has as a prerequisite that the best interest of the child is of paramount concern. As it should be. Why do we allow inequities to stay on the Statutes of Canada? We know that in some provinces there are laws dealing with the Family Law Reform Act, et cetera. Yet inequities are still maintained.

I would like to ask the Minister to look at all these pension laws. I focused on only a few here because I did not have enough time to research the whole spectrum of pension entitlements. But I know that when the Government came before the House in 1985 with amendments to the Pension Benefits Standards Act, they corrected all those things for Crown corporations. It made sure that the 60 per cent entitlement to pensions for the spouse was included. We still do not have that for the Public Service, the RCMP or the Armed Forces, et cetera.

I am saying to the Government, if we all accept that the Charter of Rights and Freedoms came into force in 1985, why not allow retroactivity for those who were hurt, possibly severely, through no fault of their own, by a lack of concern on the part of the employer? Why do we not allow rectroactivity to at least start with the adoption of the Charter of Rights and Freedoms in 1985. It would not seem to me to be very costly, to be somewhat considerate and understanding of the need to go back and provide retroactivity.

I have correspondence from the Superannuation Association. I have letters that I could read to the House concerning people who have lived through these difficult situations. For example, I have a letter here from a pensioner who tells me that if he lived common law, he would have been able to transfer his entitlement to his surviving spouse. However if he marries, no, he is not entitled to it. It does not make any sense. So let us look at these things and make sure that we deal with them in the Fall.

I just want to touch on one last item. Because of the aging population of Canadians, a lot of people in Canada have federal pensions. They will go to their lawyer and the lawyer will say, "Give me power of attorney over your pension in case you fall sick, or need some assistance, or need to have some expenditures looked after while you are indisposed." You cannot do that in this country. A lawyer cannot have a power of attorney over a federal pensioner's pension. There are arguments for and against, but I think we need to have a debate in this House because our population is aging and we need to look at the rights of these people. Perhaps we should have less bureaucracy and more understanding as to what we can allow in terms of having pensioners give power of attorney to their lawyers, such lawyers as they trust and who would operate under professional standards.

Having said all that, I congratulate the Government for its effort on the question of Bill C–24, wanting to correct some anomalies and some inequities. There are still lots of things to do. We have done a bit. We have gone a short way down the road toward parity, equity and justice, but we have a long way to go yet on many of these Bills before we reach equity and justice for all Canadians who receive pensions from the federal Government.

• (1210)

Mr. Crosby: Mr. Speaker, I rise to ask you to now seek the unanimous consent of the House to move to Committee of the Whole and permit officials to be present so that we can now proceed.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. Paproski in the chair.

Mr. Gauthier: Mr. Chairman, I rise on a point of order. I just want to make a correction. In my speech I said that the Charter of Rights came into effect in 1985. I meant that Section 15 of the Charter of Rights was proclaimed or came into effect on April 15, 1985. I think I may have over-stretched it.

The Deputy Chairman: Order. House in Committee of the Whole on Bill C-24, an Act to amend certain legislation respecting superannuation and other pensions.

Clause 2 agreed to.

On Clause 3—

Mr. Gauthier: Clauses 3 and 4 are the two operative clauses of the Bill. Both of them, if I am not mistaken, do away with the discrimination under Section 15. Am I right?

Mr. Crosby: Yes, Mr. Chairman. Not to mislead the Member, if you put all the clauses together, the net result is that the prohibition with respect to remarriage is eliminated and the consequential provisions are removed so that in the result the prohibition is terminated. And this is repeated throughout the Bill with respect to the other legislation involved.

Clauses 3 to 22 inclusive agreed to.

[*Translation*]

On Clause 23—

Mr. Gauthier: Mr. Chairman, I would like to ask the parliamentary secretary why in all our legislation, including the retiring allowances for Members of Parliament and defence services and Canadian Forces pensions, the provision dealing with the rights of children still contains the following:

> is eighteen or more years of age but less than twenty-five years of age and is in full-time attendance at a school—

In Clause 23, we see that—

[*English*]

—Royal Canadian Mounted Police Pension Contribution Act, we have changed it. It is 21 years of age or more for the RCMP but less than 25 years. Why 21 years for RCMP and 18 for all the others?

Mr. Crosby: Mr. Chairman, I do not know if I can answer the question in exact terms. The Royal Canadian Mounted Police Pension Continuation Act, to which the provision relates, is an Act of very limited application and it goes back in time. I cannot account for all the cases involved, but basically it applies to RCMP personnel who were recruited before 1949. My mathematics are not that great, but if you work it out from there I think you come up with the answer, and if you don't, let me know.

Mr. Gauthier: I am going to let him know that I have not come up with the answer yet. Maybe he is a better calculator than I am. Please tell me the answer. Why is it different for them than for the others?

Mr. Crosby: It is simply that it goes back to 1949, the provision was in force in 1949 and there is no particular reason to change the age provision. It is proper to say that it would not apply to anyone. I do not know if it could even in theory.

Mrs. Catterall: Mr. Chairman, I would like to know why a benefit continues for a child who has been in university continuously since the death of a parent, but not to someone who goes back to school six months hence or a year hence. Did the Government look at that provision at all and consider changes to it or is it part of what will be considered in future reform?

Mr. Crosby: Mr. Chairman, the question is valid. The policy was simply intended to gather in as many as possible, bearing in mind the balance of the grant of rights, or restoration of rights if you prefer, in relation to the expenditure that would accumulate. The group that is in university at present, in a sense, can be identified and targeted. If we were to permit persons to return to university we would have a group of indefinite number which might cause people to take a course of action which they are not now pursuing.

I recognize that that may well be a valid consideration but it will have to await a broader-based reform of the pension law when more investigation is available and more specific documentation of the potential liability can be ascertained.

• (1220)

Mrs. Catterall: May I have further clarification Mr. Chairman? As I read this section, in fact we may have two surviving children in university, one of which was out of university perhaps to support the family while the parent was in a last illness, and is now back in university. That child is ineligible for a pension, but another child who never took that year away and went straight to university from high school is eligible. Is that the case?

Mr. Crosby: Mr. Chairman, my understanding is yes, that situation could arise. I have already indicated that it is a matter being considered and would be part of a further pension revision. At the present time, the President of the Treasury Board and the Government are simply trying to extend the benefits as far as they can, knowing the obligation which might be incurred. We appreciate the Member's attention and I am sure it will be noted for the future revisions.

Clauses 23 to 29 inclusive agreed to.

On Clause 30—

Mr. Hovdebo: Mr. Chairman, my question probably should have been posed on an earlier Clause. Could the Parliamentary Secretary tell me why there was no particular action taken, back in 1984, and again in 1987, when we had a commitment from the Solicitor General and the President of the Treasury Board that Canadian Correctional workers would be allowed to retire after 25 years of service. It was a bit of housekeeping. It was not in Bill C-33. Consequently, it was going to be brought in as an amendment to Bill C-33 but we know what happened to Bill C-33. It would have fit in this kind of an Act. I just wonder why it is not in there, particularly.

Mr. Crosby: Mr. Chairman, I am sure the President of the Treasury Board and the Government would want me to indicate that the purpose of the Bill now before us is simply to correct what is now regarded as unfairness in past legislation with respect to the disqualification because of remarriage. While it is amending legislation, it is only intended to deal with that specific situation. The concerns of the Member are noted.

I understand the specific concern which he raises about prison workers and members of the Correctional Service. It will be taken into account in future proposals for pension reform. The Government and the President of the Treasury Board is certainly aware of the commitment mentioned by the Member for Saskatoon—Humboldt. It is now part of the record, so there is another reminder on record.

Clause agreed to.

Clause 31 agreed to.

On Clause 32—

Mr. Gauthier: On this question of recovery of lump sums pursuant to appeal provisions, if I understand the Clause:

> A spouse or other person was paid an amount as a final payment pursuant to Section 59—before the coming into force of this section, the Commission may retain that amount by way of deduction from any subsequent payments on account—

Any lump sum amount paid to a person as a settlement, because of his or her ineligibility to receive the spouses' allowance because of the remarriage, does that mean that that amount itself will have to be collected in total, that is, all of it, or it will be spread over a period of years?

Could you tell me if the repayment of the sums of money would be based on an actuarial formula, or will it be strictly pay-up and that's it. Because, if it is pay-up, whatever one got eight or nine years ago, I am sure a lot of those people would not be able to cope with it. I am just asking the Parliamentary Secretary what kind of message he will give these people to satisfy, I would think, an element of justice and equity?

Mr. Crosby: The Hon. Member for Ottawa—Vanier's question relates to the Pension Act which deals of course with veterans. The Minister of Veterans Affairs will address that particular concern.

In broader terms, as it relates to the restoration of other pension benefits in the other legislation, there will be a provision for part repayment. That is to say, the repayment of the amount previously received will be spread over a timeframe and that will be the subject of regulations or ministerial directive.

The intention is that the amount that was paid out will be repaid, interest free, at no extra cost to the recipient of the pension benefits over a timeframe. I think the timeframe will be extended so that it will not be a great burden.

I asked the officials before to give us an average, and I understand that the average benefit that will be paid out on it on an annual basis will approximate $4,900. The average payments which will be required will be, on

average, $800, just to give you a ratio of the benefits to be received.

Sorry, I made a mistake. The benefits on average to be received are in the nature of $4,900 annually. The repayments to be retained, that is to say, previously paid out and now recovered, will be in the area of $1,800 on average. There will be no interest. You can see from that that it is a pretty good deal.

Mr. Gauthier: I just want to be reassured. Will it be based on an actuarial form? In other words, if the person is 75 years old, will you be requiring him or her to pay more quickly than someone who would be 62 years of age or 63 years of age, whose life expectancy and capacity to meet and cope with that may be longer. Will there be any consideration given to that?

Mr. Merrithew: Perhaps I could comment on this. This refers essentially to the benefits for the veterans and their survivors. One should understand that veterans have always had preferential treatment under the Pension Act. While the benefits to surviving spouses would cease immediately, with many of our other pension programs, veterans are given a lump sum payment for the following year. I realize this calls for repayment of that.

I think your question is, will it be demanded of them in one lump sum payment. No. It will be done according to the survivor's status. As you probably know, the Canadian Pension Commission deals with that and the applications go through them. They have always been very caring, very compassionate and very understanding of the personal circumstances of both the veterans and their survivors. Under no circumstances, would undue hardship be impacted upon the survivor.

Mrs. Catterall: I have two questions. One is very directly on the last point. My understanding was that, in fact, that pensioners would not have to rely on anybody's compassion or solicitude for their well-being, but that they would have the option as to how they chose to make these repayments beyond a certain minimum. Could I have a clarification on that?

Mr. Merrithew: As I mentioned before, the commission has always dealt directly with the pensioner. They report to this House through me. They are independent. They have always had the care and compassion for the circumstances of the recipient. They do have the administrative discretion to make arrangements which are in the best interests of the survivor. If there has been an overpayment, it is the duty of the Crown to try to recover to what extent it can. We have not had any great number of complaints of the commission being unduly harsh on the repayment schedule required.

• (1230)

Mr. Butland: Mr. Chairman, I am not sure if this is the appropriate timing of this question, but I have been approached by several public servants in the community of Sault Ste. Marie with regard to whether there has been any consideration at all of some window in time, as in other professions, to offer some incentive for those to take an early retirement, given the fact that there has been reduction in the Public Service in the past. I understand that trend will continue in the future. For instance, for someone at age 54 with 27 years service, the penalty is 15 per cent. Has there been any consideration at all to opening this window of time without such an onerous penalty?

Mr. Crosby: Mr. Chairman, I appreciate the Member's concern. It is beyond the immediate scope of this Bill which as I have said and repeat deals with the restoration of rights lost as a result of remarriage.

I may respond in two ways: first, the President of the Treasury Board and the Government are well aware of similar programs utilized in other provinces and places. One of the views that has been expressed and bears merit is that the federal provisions are already fairly generous. They permit retirement at age 55 with 30 years service. I can speak from experience that 55 years of age is pretty young to retire. I hope that it is, otherwise I would be out of here. It will be looked at in terms of a broad pension reform. Early retirement certainly has its merits, and I am sure it will be given consideration.

Mrs. Stewart: Mr. Chairman, I have a concern that I would like to express on behalf of one of my constituents who is a widow of a war veteran. She understood about a year and a half ago that she would be able to remarry and still claim her widow's pension. She remarried without notifying Veterans Affairs. She has now found out from Veterans Affairs that she was receiving payments "illegally". This woman of strong moral value and conviction had a hard time remarrying. Now she is going to divorce

because she and her second husband cannot afford to survive without her receiving this veteran's pension.

Will the Minister review her case and assure her that the Department will not claim the payments that she received which unknown to herself were considered "illegal"? I find this such a difficult case to deal with that I think it deserves compassion.

Mr. Merrithew: I am not sure whether I completely understand the point made, Mr. Chairman. I understand the widow married and is now going to divorce and I suspect to continue living common law.

Mrs. Stewart: I don't know.

Mr. Merrithew: Nobody knows. Uniquely in veterans' pensions if the second marriage failed there was always a provision whereby the surviving spouse could reapply for the survivor's benefits, so she will be covered at any rate. If I can have more details I will be glad to give a very specific answer.

Mrs. Stewart: Mr. Chairman, I thank the Minister. I will forward information to him about this case and hope that he will deal with it compassionately.

[*Translation*]

Clauses 32 and 33 agreed to.

[*English*]

On Clause 34—*Resumption of allowances to spouses*

Mr. Whittaker: Mr. Chairman, I have a couple of questions perhaps dealing with the matter of retroactivity of these clauses.

As I noted in my speech there was no provision for retroactivity or retroactive payments to those who have remarried up until now and have had to forgo their payments under the survivor pension benefits. Is the Government planning to deal with the question of retroactivity? If so, when is it planning to deal with it?

Will the Government be filing a statement of defence in the action to which I have referred, that of *Nona Horswill vs. Her Majesty the Queen in Right of Canada*, dealing specifically with Clause 8(d) with reference to the retroactivity? Has the Government calculated the cost of such a retroactivity of payment provision in looking at this and making a decision?

Mr. Crosby: Mr. Chairman, let me begin to answer the Member by saying that with respect to the cases now before the courts, I think the Government's position is that it would be inappropriate to make any comment at all that would have any effect whatever on those cases. I realize the Member is concerned about the eventual outcome of them, but it is not something with which we can deal.

I want to point out to the Hon. Member first of all that in the past cases where remarriage benefits were reinstated there were no retroactive payments. That would be under the Judges Act and the Canada Pension Plan legislation. I would have to say that there has almost been a precedent established that retroactive payments are not made. Governments are always looking at cases, but the apparent view is that retroactive payments are not appropriate in these situations, both for cost reasons and just simply in terms of the balance of rights.

I want to take the opportunity to mention, because the Hon. Member mentioned the retroactive aspect, that there are cases where payment has been made to a recipient requiring repayment of the basic method of recovering, that is, a minimum of 10 per cent of the monthly pension. In cases where that imposed a hardship, a further reduction of 5 per cent would be considered. I want that to be on record.

Mr. Whittaker: Mr. Chairman, first, I am afraid I cannot accept the answer with respect to the court case. I have not asked for comment on the court case. What I have asked specifically, I believe as a lawyer, can be answered.

Does the Government intend to file a statement of defence? I do not think that jeopardizes the court case or any part of it and, if the Government does, when?

Second, with reference to the problem that was mentioned and with which he has just dealt, it seems to me that there are discretionary abilities within Departments to forgive in the case of hardship. I know of some personally. I dealt with four clients in the past that have been forgiven based on hardship. Perhaps the Minister might have a look at that.

Mr. Crosby: Mr. Chairman, I think the Minister of Veterans Affairs may want to deal with the hardship aspect. I understand that a statement has been filed in the case to which the Member refers.

All I can do is repeat myself and say that is not really part of our consideration. I think the Member should know that there will be other opportunities to raise the problems with respect to that case. I am not attempting to cut the Member off at all. I am just saying that I do not

really have the resources to answer to that case. I understand that a statement of defence has been filed.

Mr. Gauthier: Mr. Chairman, I would like to get some clarification on the numbers. How many people are affected or could be affected? What is the amount of money anticipated? Finally, with regard to surviving spouses, in a press release put out by the Minister he said that there are approximately 6,700 surviving spouses covered by the remarriage provisions of the eight Acts.

Could the Parliamentary Secretary confirm that indeed that is the number and what is the total output of funds necessary to correct this inequity?

Mr. Crosby: Mr. Chairman, I will have to organize myself to get all these statistics. I am not good at these acronyms and whatnot. I know in broad cost terms that $11 million is the estimated cost to reinstate benefits under the legislation, other than the pension benefits to veterans. The cost of restoration with respect to pension benefits to veterans is $28 million, and the Minister may wish to confirm that.

• (1240)

Regarding the total numbers of people who may be involved in this process, for veterans it is 4,500 and those under all the other legislation involved, and I think the Hon. Member knows the specific plans, the figure is 2,200, so it is a total of 6,700 persons involved.

Mrs. Catterall: Mr. Chairman, this relates to provisions in all Acts affected by the Bill, but I would appreciate some rationale for why, if the provisions are not retroactive at least to the time of the coming into effect of Section 15 in the Charter, there is full collection back of a lump sum that was intended to replace benefits to which the person is now entitled and to which, under the Charter, they have theoretically always been entitled.

Mr. Crosby: Mr. Chairman, I certainly do not want to quarrel with the Hon. Member. She may put on record whatever arguments she thinks are fair and just, but I would put that in the category of double recovery. If the spouse of a pensioner were to receive a lump sum payment at the time of remarriage to compensate for loss of pension benefits and then were to receive those pension benefits, the spouse would be getting two benefits and some would regard that as double recovery.

Others would say that that is not double recovery because the spouse missed pension benefits for a time, but the decision has been taken, in continuing prospectively pension benefits to persons who have remarried, to offset that with the collection of the past payment. It is as simple as that.

The Deputy Chairman: Shall Clause 34 carry?

Some Hon. Members: Agreed.

Clause agreed to.

Clauses 35 and 36 agreed to.

Clause 1 agreed to.

Title agreed to.

Mr. Crosby: Mr. Chairman, before you rise to report the Bill, I think all Hon. Members would want me to thank the officials who assisted me and through me them: Ms. Sharon Hamilton of the Treasury Board and Mr. David Steele of the Department of Veterans Affairs.

Bill reported.

Mr. de Cotret moved that the Bill be concurred in.

Motion agreed to.

The Acting Speaker (Mr. Paproski): When shall the Bill be read the third time? By leave, now?

Some Hon. Members: Agreed.

Mr. de Cotret moved that the Bill be read the third time and passed.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, I just want to put on record the fact that in the pension structure this Government and the previous Government made a commitment to the correction workers of Canada for a change. This change has been put off since 1984 or in fact since 1977. I hope that the Government will make a commitment to deal with the concerns of correctional workers.

The President of the Treasury Board (Mr. de Cotret) made that commitment on March 23, 1987. I hope that the commitment will be honoured.

Motion agreed to, Bill read the third time and passed.

MUSEUMS ACT

MEASURE TO ENACT

The House resumed from Thursday, May 25, consideration of the motion of Mr. Masse that Bill C–12, an Act respecting museums, be read a second time and referred to a legislative committee.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I am pleased to rise to speak in favour of Bill C–12 which restructures the national museums of Canada into four autonomous arm's length corporations.

Museums are important to our society. They are vital institutions which remind us of where our society has come from and which shed light on where we are going. They are our collective memory with a broad appeal that most do not realize.

As the Minister of Communications (Mr. Masse) stated just two weeks ago at the parliamentary committee, more people attend museums in Canada than professional sporting events. He stated that 20 million Canadians visit museums. Unfortunately, he is a bit behind in his figures.

According to Statistics Canada many more visit our museums and related institutions. In fact, there are over 90 million visitors each year. Even the Minister's predecessor, Flora MacDonald, was aware of this figure when she spoke just a year ago at the Cultural Tourism Conference in Montreal.

Museums are more than just statistics and people going through turn–stiles. The real impact is on our appreciation and awareness of our society as a multicultural society. As we enter free trade with the United States, we need more than ever institutions which reinforce our sense of place, being and community. That is the unique role of museums. I know this because I have had the opportunity to work in this field. In the mid–1970s, I worked on Canada's Discovery Train, a travelling museum which demonstrated our rich and diverse cultures.

Today, museums in this critical period of our history face enormous challenges to serve a diverse, complex and growing audience. I have a vision of the museum world of the year 2000 which is vibrant, rich and accessible to a broad public, not a limited few.

There has never been a more significant need for museums and for the services they provide, from partnerships with public schools to outreach, to non–traditional museum goers, and to the incredible opportunities to develop exhibitions, collections and educational programs that reflect the depth and variety of our cultural experiences. We have the chance to see museums greatly enrich our society in ways never before experienced.

This is the challenge facing us, both in restructuring the federal museums through this Bill and also in implementing a new federal museums policy to which the Government has committed itself. This a time of change and it is time to assist these important institutions in their service to our society.

• (1250)

As Dr. Louis Lemieux, former Director of the National Museum of Natural Sciences in Ottawa stated: "Museums, as traditionally defined as institutions devoted to the procurement, care, and display of objects of lasting interest of value, are outdated and inadequate."

Today, we have the opportunity to permit our museums to grow and to serve a wider public, as well as to preserve and study our collections. Bill C–12, and the proposals for a new museums policy will encourage growth.

The first museum in the world was a government institution. It was part of the palace of King Ptolemy in Alexandria which, in the 3rd century B.C., housed the library of Alexander the Great. It was called by the Greek term *museion* or temple of the muses and was the world's chief centre for learning in its day.

In the centuries that have elapsed since the founding of the Museum of Alexandria, the concepts of what a great museum should be and what it should do have undergone many changes. Fundamentally, a museum is still an institution, not only for collecting and preserving objects, but also for the study of them and the use of them for education and enjoyment.

Almost 1,200 years after the Alexandria Museum was destroyed by war, the National Museum of Canada had its beginnings. In 1842 the geological survey of Canada was established in Montreal and grew into our National Museum in Ottawa. Incidentally, the New Brunswick Museum in Saint John was started in the same year in the Mechanics Institute. From those early starts, museums in Canada have grown steadily so that we virtually

now have museums in every community in the country. There are now almost 2,000 museums and related institutions in Canada.

The national museums had precarious beginnings. Indeed, their whole history has been marginal. They have been switched among government Departments, placed in basements or ill-suited buildings, and even in condemned buildings.

In 1981 the then Prime Minister Trudeau announced that proud new homes would be built for two of our national museums, the National Gallery and the Canadian Museum of Civilization. These are the first properly designed homes for these institutions in their histories. For the first time these museums will receive professionally acceptable storage facilities for their multi-million dollar collections and will also be properly displayed. The new home for the National Aviation Museum is also a reality.

Sadly the other national collections remain in inadequate facilities. The National Museum of Science and Technology is in an old bakery, and the Museum of Natural Science is relegated to half of the Victoria Memorial Building, as well as 13 other locations throughout the National Capital Region. The War Museum has actually lost 40,000 square feet of space, and its needs are legendary.

Bill C-12 will not solve those problems, but it will start a process of greater direct control over the management of these important treasures. It will give them far more independence from government, will reduce bureaucracies, and will permit them to retain the funds that they raise. These directions are consistent with many studies, including the task force led by Clement Richard and William Withrow. As well, the Canadian Museums Association held a series of regional meetings in 15 locations which concurred with the Richard-Withrow recommendations. Further, the Standing Committee on Communications and Culture supported those recommendations in its unanimous report of January 1987.

The restructuring of the National Museums by Bill C-12 is essentially a housekeeping Bill, but it will result in more efficient operations in their own destiny and guided by their own missions. I am pleased to see the mandates of the museums articulated in this legislation.

However, I am disappointed that the Government has not yet moved on the other half of reforming museums policy for the rest of the country. The National Museums are all located in Ottawa. I firmly believe the Government has a role in assisting the other museums across Canada. In 1987 the former Minister, Flora MacDonald, pledged that a new policy would be developed. Extensive and extended consultations were held, but the Government has not yet introduced this broader policy, nor has it honoured its commitment to even increase funding by some $2 million saved from the Mobile Exhibits Program.

The grants program for museums has remained static since 1972. The Museum Assistance Program remains unchanged, even for inflation, at $8.5 million. I cannot think of a more neglected yet deserving program. These funds are returned to government via taxes from the economic stimulation created by millions of visitors who attend museums each year in Canada. That is a great return on our investment, but one that I believe can be improved even more.

Our museums, art galleries, historic sites, and science centres contain millions of objects, and for every object there is a fascinating story. We need to tell these stories to more people. Because budgets are so tight in museums, little to no money is available for proper marketing. More money needs to be made available. Other government agencies should become involved such as tourism and the CBC. The rationale for having culture located within the Department of Communications is to see more cultural programming on television, in films, etc.

When was the last time someone saw a show about our museums? On Tuesday, officials of the National Gallery told the parliamentary committee that they approached the CBC to do a show on the gallery at the time of its opening last spring. The CBC declined.

Canada's heritage is not all in Ottawa. It is located in every part of this country. We need a new vision and a new concept so that our national heritage abounds in all museum collections. The artefacts of the Campbell River Museum in British Columbia and of the Yarmouth Firefighters' Museum in Nova Scotia are part of our national patrimony, as are the great collections in the National Gallery.

Finally, I would like to salute the thousands of volunteers across Canada who contribute their time and energy to preserving our great resources of cultural heritage. I make one last plea for greater marketing

support to promote these museums across Canada. I believe that the Government is missing an even greater return on this existing investment because of its attitude toward its lack of marketing support.

The Acting Speaker (Mr. Paproski): On a point of order, the Hon. Parliamentary Secretary to the Leader of the Government in the House of Commons.

Mr. Cooper: Mr. Speaker, there have been discussions among the Parties and I believe you will find unanimous consent for us to continue past one o'clock, through the hour normally reserved for the lunch period, in order to allow us to complete second reading of Bill C–12, the museums Bill, and to complete report and third reading stages of Bill C–6, the radio Bill.

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

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): On debate, the Hon. Member for Mission—Coquitlam.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, today, museums are cutting back on people in the same manner as many other areas of our society. Museums are about our culture and about our achievements. People should be very much a part of our museums. Without people, museums are very much a graveyard of our society. It takes people to bring museums alive. They should be vibrant places of our culture, our history, and places that look to our future.

Exhibits should not only be displays, especially in the areas of science and technology. Items that have been used by generations of Canadians or by generations of peoples around the world should be displayed in such a manner that we can feel them, touch them, and try them, particularly with our new technology. Machines are not made to be looked at. Machines are made to be used and to be handled. Our museums need to reflect those human touches, and for that we need funding and a commitment to the human element in our society.

Many museums remove the human element by having free days on a Thursday or a Tuesday, without consultation with the community or without consideration of when people work and when people are free to attend museums. Therefore, museums are further restricted particularly to those people who cannot afford to go to a museum and would like to have their children exposed to our culture. Those people need access. Museums have to reflect and consult with the community in terms of accessibility, including those museums located in Ottawa. There is a movement in France which is trying to put people back into museums. It is one which we should be looking at in Canada and trying to emulate.

• (1300)

Free trade has further attacked our culture and our industries. With them already under attack and with museums being a reflection of our culture, then are not museums under attack, too? Some museums are just for a tiny minority of people. They really are not a great reflection of our culture. For example, many museums do not have displays celebrating the labour movement in Canada, which movement helped to make the country what it is today.

Many museums do not have displays which reflect the ethnocultural nature of Canada. Many museums do not have displays which celebrate the environment.

Our museums need to reflect the true strata of Canada, its peoples, the environment and the assets which make Canada great.

In an independent study of the museums' workforce it was found that there are two major sources of inequality that are closely interdependent in the museums. It comes down to who staffs our museums. Museums are gender–based and institutionalized–based organizations with great differentiations in the labour force. Simply put, women make substantially less money working for museums than do men. We have checked and found this to be true even after the major alternate explanations of income differences, controls and all of the other factors are taken into account. In other words, significant income differences remain between the sexes even after education and experience levels are held constant.

Although there are virtually identical over–all labour force participation rates for men and women, over 70 per cent of employees in the relatively disadvantaged and smaller institutions are women. When the Government moved to dismantle or reorganize the largest, most advantaged museums, we learned that those women who had achieved senior positions were, in many cases, shut out of significant positions in the new structure. New Democrats have raised concerns about equality in our cultural institutions for many years. Our national mu-

seums have a very poor record, a record which may now indeed be improving but at a disappointingly slow pace.

If I can use the analogy that museums reflect our history, surely their management practices should reflect our present and our future.

The new Museum of Civilization is geared up with many new staff for its opening later this summer. Roughly one-half of its employees are women. However, only four of the 15 top jobs are held by women. It is very hard to believe that there are only four women in Canada who have the qualifications to aspire to and expect to sit in those top jobs. In the same museum we find women in the traditional roles, the pink collar ghetto, but only 26 per cent of the scientific and professional category with average earnings in excess of $35,000 are women. Some 86 per cent of the administrative support jobs with an average salary hovering around $20,000 are filled by women. I think it is absolutely vital that we consider these figures and think about what our policies should be, not only for museums but when it comes to funding these organizations.

It is important that I include here thanks to the museum for so promptly providing me with these figures.

I invite the Government to review these concerns regarding museums and to report to the legislative committee studying this Bill on its plans for remedy.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, Bill C-12 before the House today arises from a recommendation made by the task force responsible for examining federal museum policy, a committee chaired by Clément Richard and William Withrow.

I had the honour and the privilege of knowing the director, the former Secretary General of the Corporation, Mr. Léo Dorais, who at the time objected very strongly to this recommendation, claiming that administrative costs were twice as high as they would be if the task were delegated to the four main museums.

Mr. Dorais made his mark with his very substantial contribution to the National Museums of Canada as their administrator. Mr. Dorais has served Canada and the National Museums well.

We have now reached a new phase.

Mr. Speaker, it is a pleasure to speak in this debate because of the very strong connection with the riding I represent, Ottawa—Vanier. As you know, the National Gallery of Canada is in Ottawa—Vanier. I also have the honour and the privilege of representing several other museums that come under either the National Museum of Natural Sciences or the Canadian Museum of Civilization, and we are very proud of them.

Mr. Speaker, although I am in favour of independent museums, I am also concerned about what will happen to language equality in those museums. It is an issue I certainly want to raise today, and I take this opportunity, since the Minister is here, to ask him once more to give us the assurance that the policies on language of service and language of work will be maintained, even if the museums are decentralized and even if each museum becomes an autonomous entity.

Mr. Speaker, official languages have never been a priority for our museums. A special report submitted by the Commissioner of Official Languages shows that French takes second place in active offers of service. In fact, according to the Commissioner's report, security staff was unilingual and French information material was inadequate. In some museums, publications in French were more expensive, sometimes as much as twice or three times the price of the same publication in English.

As far as language of work is concerned, the situation is even worse. In fact, there is no option. The report shows that English is the only language of work and that in professional circles, Francophones have to draft their reports in English to be understood by their superiors.

The National Museums Corporation took a step in the right direction by signing an agreement with Treasury Board. Now we must make sure the agreement continues to be applied in each museum.

Only the Secretary General, Mr. Edwards, was accountable to Treasury Board for attaining federal objectives for official languages in the museums.

However, section 4 of the Memorandum of Agreement, signed by the Museums and Treasury Board with all the requisite flourishes, provides, and I quote:

> If the National Museums of Canada Corporation is dismantled while the Memorandum is in effect, museum directors have the option of maintaining the Memorandum of Agreement, amending it through negotiations or signing a new agreement with Treasury Board.

Mr. Speaker, I must admit this is of special interest to me as the official languages spokesman for my party, and I am looking forward to seeing the results of these negotiations if and when they take place. We intend to monitor negotiations in this area and make sure that the decentralized museums, if we can use that term, implement language policies that are acceptable to all Canadians.

Mr. Speaker, the other topic which is of some interest to me is the question of marketing these museums.

As Hon. Members would know, the national museums are a basic facet of our community's cultural development because they are the repository of the collective wealth of our people. Whether we talk about founding nations, native people or New Canadians, our museums mirror the history from which future generations will draw inspiration. This is why they ought to accommodate as many visitors as possible and display the exhibits likely to attract them.

Last December 23 I wrote to the National Museums of Canada Secretary–General to suggest that a tourist passport be issued, something likely to interest a great many visitors because it would open the doors to all museums without the need to pay an entrance fee. It might also enable NMC management to put some of the less popular museums on a sounder financial footing and, I am sure, make museum tours somewhat less expensive for visiting families.

• (1310)

My contention was that lower entrance fees through a tourist passport giving access to all museums might be implemented. I was glad to learn that the secretary responded by saying that the matter would be considered!

Just recently I got a letter from the head of the National Capital Commission in which she stated that she had endorsed the suggestion and that a tourist passport would be available to gain access to museums and other National Capital Region institutions, and perhaps to historic sites and other points of interest to visitors.

[*English*]

Our museums are sometimes our best kept secrets. When I refer to the marketing principle, I refer to a method by which our museums are promoted for Canadians to visit and appreciate. While we welcome the revamping of the national museums structure, we need to ensure that more Canadians are aware of their existence. There should be a good marketing plan to encourage tourism by making the airlines, railway and the media more interested in promoting the great contribution that our Canadian museums can make.

One year ago the Government issued a discussion paper on policy for all museums. This document described the status of museums across Canada in the dawning of the 21st century, and encouraged all interested parties to hold relevant discussions on the future of museological institutions. However, that policy lies dormant in the Department of Communications.

This new policy is needed to revitalize the non–federal museums across Canada, permitting more public programs, exhibitions of Canada's heritage and culture, and conservation of collections. It will make a greater appreciation of Canadian culture available to all regions of our land.

The Government should address this policy of marketing very soon. Our national museums are a source of Canadian heritage, culture and pride. They are a visitor's delight and they enrich our national capital. They make Canadians proud of the capital.

John Edwards, the secretary–general of National Museums of Canada did a good job and I congratulate him on his work in restructuring the museums. I hope Mr. Edwards goes on to his just rewards and I wish him continued success in his career, but I hope that every museum, independent as it will be, will make sure that Canadians, be they French or English, receive adequate service in their language on an active basis. It should be a policy of all museums to offer that service on an active basis.

Second, the Government must address the question of marketing. I hope it sees fit to introduce a good policy on marketing that will make our museums much more

interesting and encourage many more Canadians to see them.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I am pleased to make a few comments on this Bill. I am pleased also that the Minister is in the House and I hope he will take note of the comments made by Members in the House today about the importance of the museums they have in their ridings as well as the museums here in Ottawa.

Our Party supports in principle the legislation which would provide the museums with a mandate that makes them more independent.

As a Member from British Columbia, I have lived quite far from the nation's capital. Since coming to Ottawa I have had a chance to tour a couple of the museums. Of course, I look forward to the opening of the new museum next week.

I took my mother through the new art gallery and, while she did not think all of it was art, we all have open minds about what is art and appreciate the importance of cultural development in this country through our museums.

I want to expand somewhat on the comments about museum policy made by my colleague, the Member for Mission—Coquitlam (Ms. Langan). One particular area that I am interested in is the need for a policy to clearly state the criteria and responsibility for museums both in the capital and in many of our smaller communities. I am particularly concerned with museums in many of our small communities throughout the country, including some of the many positive initiatives that are taken in my riding. The purpose behind the co-operation between federal and provincial Governments in developing a museum policy is to preserve and understand the history of our country. That history is very important in terms of the artefacts and documents relating to our past.

I remind the Minister of the commitments made by his Government. The museum policy was recommended in September, 1986, but we do not have one yet. I am not too critical of the Government because I think the museum community would be very grateful for an indication from the Government about the direction the Government and the provinces want to take with a museum's policy.

There are a couple of museum projects in my riding. I am a member of the Prince George Railway Museum, and smaller communities like McBride and Valemount are attempting to save their historic railway stations. We are aware of the legislation regarding heritage railway stations, but it is those kinds of projects that have missed many of the opportunities which we sometimes take for granted when we go between Parliament and the wonderful buildings we have here. Some attention should be given to those in small community-sponsored museums, not necessarily in the form of large grants, but for such things as sewer, water and electricity, or a bit of landscaping. That is the kind of extra help those smaller communities need because in most cases there is considerable volunteer effort given to these projects.

I believe there was an attempt in British Columbia to sign a communications subagreement under the economic development umbrella. I wrote a letter to the Minister on that matter because that is a vehicle to develop some of the co-operative agreements and sharing of revenue that can go toward some of the museums in our province. I would encourage the Government to seriously consider taking advantage of the upcoming expiry of some of these subagreements that we have.

• (1320)

In closing, I want to say that the museum community and all Members of the House would look forward eagerly to a policy from the Minister. We would see from that some specific direction, I hope, in terms of the mechanics of implementing a policy like that. In particular, my message is the concern that a lot of these smaller museums and similar types of operations have across the country. I thank you very much for this opportunity to speak.

Mr. Waddell: Mr. Speaker, I would like to comment on the speeches of the last two speakers for the New Democratic Party and I am commenting as my Party's Culture and Communications critic. I too am pleased to see the Minister in the House.

[*Translation*]

I hope the Minister will be able to attend Question Period.

[*English*]

A very good point was made by the Hon. Member for Mission—Coquitlam (Ms. Langan), who represents a neighbouring riding to my own in British Columbia. She is a tireless fighter for the interests and rights of women. She pointed out that at the new Museum of Civilization, while half the employees are women, only four of the 15 executive type positions are held by women. We keep repeating the same pattern. One would hope for some employment equity in the federal Government by which we could get women into senior positions if they are qualified for them. There should be some gender balance in these positions.

I would like to comment on some of the remarks of the Member for Prince George—Bulkley Valley (Mr. Gardiner).

If I could describe Ottawa today for people in other parts of the country who perhaps are watching us, it is a very hot, muggy June day with many tourists on the Hill and in Ottawa. We have got some magnificent museums here in Ottawa. The Minister opened one on political caricature cartoonists. No doubt we will all be in that museum. If one has a big nose, one's nose gets bigger in one of those cartoons, or a big chin, it becomes huge in one of those cartoons. The Minister, myself and the Hon. Member for Mount Royal (Mrs. Finestone) do not have to worry because we are just ordinary Canadians in that way.

Some Hon. Members: You're short.

Mr. Waddell: I am short.

Mr. Shields: Mr. Speaker, I am sure that my good friend from Moody—Coquitlam will understand if I rise on a point of order. First, about these caricatures, when anybody does my nose, believe me, I worry about it.

However, the point of order I would like to make is that it is not often that students are able to travel on cultural programs all the way from northern Alberta to visit this place. I would just like to draw the Speaker's attention to a large group of students from St. Andrews School in High Prairie, Alberta, who are seated in the public gallery.

The Acting Speaker (Mr. Paproski): I hope they will visit the museums.

Mr. Waddell: That really is not a point of order the Hon. Member raised, but it was well smuggled in. I am sure the students are learning parliamentary techniques from their Member.

Getting back to the museums, it is true that we are opening two magnificent museums. We opened one just a little while ago, the National Gallery, and I believe next week the Museum of Civilization is to open. They are magnificent museums, even though there were some problems with contracts and various things with one of them.

What the Hon. Member from Prince George—Bulkley Valley was saying, is that we need a museums policy regarding museums in other parts of the country as well. We have spent a lot of money in Ottawa to get these two museums going, but let us not ignore the rest of the country. It is not everyone who can come from Alberta to Ottawa. These students are very lucky, and I hope they will visit these new museums. However, let us spread it out. I think that is the message of the Hon. Member from Prince George—Bulkley Valley, and I totally agree with him.

[*Translation*]

Mr. Masse: Mr. Speaker, I would like to briefly respond to the remarks and comments made by Hon. Members, for which I thank them. I support all the points they made, especially the need for more women in the administrative, management, research, development and scientific aspects of museums , conservation, and the same point made on the matter of participation by francophones.

Also, a very important item in the legislation needs be emphasized, among others: the leadership that should be exercised by Crown museums. Instead of being a mere administrative and functional structure for the national capital area, they should exercise leadership in the Canadian museum community as a whole. It is my hope that the directors of those museums will take note of the comments made by Hon. Members and ensure that Canadian collections are exhibited throughout the country rather than only in the capital area.

It is clear that we are now reviewing the Canadian museum policy, and hopefully in the near future I will be in a position to complete the review, consultation and discussion process with interested parties and make an announcement.

I also believe as I said on a number of occasions that the Canadian Government's financial commitment to museums is not up to the Minister's expectations, which I indicate on behalf of all those who are interested in canadian museums, and that a stronger financial commitment should be made.

In conclusion, Mr. Speaker, I would like to join the Hon. Member for British Columbia in his suggestions. I was privileged today to officially open the Canadian Center of Caricature, which to me is a recognition of the excellence of our cartoonists throughout our history. It also testifies to the quality of the freedom of speech and freedom of thought we enjoy in Canada. In these times where the basic principles of democracy are so easily trampled, few governments found a way to honour those who make a career out of criticizing the actions of politicians in the name of freedom of speech. To that extent, it is my hope that the action taken by the Government of Canada in recognizing both the excellence of our cartoonists and the significance of their contribution to freedom of speech, will set an example for other countries to follow and that they will also honour through their cartoonists, the quality of their democracy.

[*English*]

Mrs. Finestone: Mr. Speaker, I would just like to bring, through you, to the attention of the Minister of Communications (Mr. Masse), how much I would have enjoyed being there to enjoy the caricatures. Unfortunately the orderly disorganization of the House today has kept me here. I hope that we can finish this Bill and see the museums Bill go to a legislative committee.

I would also like to suggest that we congratulate ourselves on the development of an additional museum which will bring great joy and pleasure and I hope a lot of fun as we poke fun at each other in good sense and good judgment here in Canada.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

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

• (1330)

RADIO ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-6, an Act to amend the Radio Act and certain other Acts in consequence thereof, as reported (without amendment) from a legislative committee.

The Acting Speaker (Mr. Paproski): Before we get into the Bill, there are three motions on the *Order Paper and Notice Paper* offered in amendment to Bill C-6. All are in order and all are standing in the name of the Hon. Member for Mount Royal.

Motion No. 1 will be debated and voted on separately. Motions Nos. 2 and 3 will be grouped for debate and voted on separately.

The House will now proceed with Motion No. 1.

Mrs. Sheila Finestone (Mount Royal) moved:

Motion No. 1

June 16, 1989—That Bill C-6 be amended in Clause 4 by adding immediately after line 32 at page 9 the following:

"7.(1) The Governor in Council shall make regulations to require that radio authorizations may not be issued and renewals of radio authorizations may not be granted to applicants of the classes described in subsection (2).

(2) The classes referred to in subsection (1) are as follows:

(a) persons who are not Canadian citizens or eligible Canadian corporations; and

(b) governments of countries other than Canada or of political subdivisions of countries other than Canada and agents of such governments.

(3) For the purpose of this section, an "eligible Canadian Corporation" is a corporation

(a) that is incorporated under the laws of Canada or a province,

(b) of which the chairman or other presiding officer and each of the directors or other similar officers are Canadian citizens, and

(c) of which, if it is a corporation having share capital, at least four-fifths of the shares having full voting rights under all circumstances and shares representing in the aggregate at least four-fifths of the paid-up capital are beneficially owned by Canadian citizens or by corporations other than corporations that are controlled directly or indirectly by citizens or subjects of a country other than Canada, except that, in any case where, in the opinion of the Governor in Council, notwithstanding the fact that the corporation is one to which subparagraphs (a) to (c) apply, the corporation is effectively owned or controlled either directly or indirectly and either through the holding of shares of the corporation or through the holding of a significant portion of the outstanding debt of the corporation or in any other manner

whatever, by or on behalf of any persons, body, or authority of a class described in subsection (3), the corporation shall be deemed not to be an eligible Canadian corporation.

(4) Notwithstanding subsection (3), a corporation that is

(a) one to which paragraphs (3)(a) to (c) apply, and

(b) in the opinion of the Governor in Council, effectively owned or controlled by a corporation to which paragraphs (3)(a) and (c) apply and subsection 3(b) does not, shall, for the purposes of this subsection, be deemed to be an eligible Canadian corporation if

(c) at least four-fifths of the directors or other similar officers of the owning or controlling corporation, including the chairman or other presiding officer are Canadian citizens; and

(d) the Governor in Council is satisfied that it would not be contrary to the public interest to grant a radio authorization or the renewal of a radio authorization to that corporation.

(5) With respect to any shares of a corporation of a particular class that, according to the relevant records that the corporation is required to keep under the law of the place of its incorporation, are held by individuals each of whom holds one per cent or less of the total number of issued shares of the corporation of that class, the Governor in Council may, in the absence of any evidence to the contrary, accept as evidence that such shares are beneficially owned by Canadian citizens, a statement signed by the president, secretary or treasurer of the corporation, or by any other officer or persons thereunto duly authorized by the board of directors or other governing body of the corporation, indicating

(a) that according to those records the individuals who hold the shares are individuals having addresses in Canada; and

(b) that the persons by whom the statement is signed has no knowledge or reason to believe that the shares are not beneficially owned by Canadian citizens.

(6) An applicant for the renewal of a radio authorization that was outstanding as of the date of the enactment of this section may not be granted such renewal, but by virtue of this section shall be deemed, for the purposes of that application only, not to be an applicant of a class described in subsection (2) if the Governor in Council is satisfied that it would not be contrary to the public interest to grant the renewal applied for by the applicant.

(7) Nothing in this section shall be construed as limiting the power of the Governor in Council to direct that amendments of radio authorizations may not be granted to applicants of a class described in subsection (2) or that radio authorizations may not be issued and renewals of radio authorizations may not be granted to applicants of classes other than a class described in subsection (2).

She said: Mr. Speaker, my amendment to Bill C-6 comes out of a deep concern for Canadian control of our communications and cultural industry, particularly with the changing economic environment and international investment patterns which we are witnessing in today's global society. Whether from Europe, Japan, or the United States those investment patterns are very significant, and I suggest that they must be taken into consideration.

Foreign investment in this country should contribute to economic growth rather than to any kind of control of our cultural industries. That was the thrust of the Free Trade Agreement, that we would not touch our cultural industries, and that goes for any other country which wants to come in here, not only the United States.

We have learned the hard lesson. Some 97 per cent of our film industry is foreign controlled, 75 per cent of our domestic book industry is foreign controlled, and 71 per cent of our periodical market consists of imported foreign product. Some 85 per cent of our domestic sales of records and tapes manufactured here in Canada come from imported master tapes. We do not control, as we should, the levers of our economic power that are found in the cultural industries. If we do not control our cultural industries and our telecommunication industries, what will continue to define us as a people?

We have just finished debating the museums Bill. That indicates that we have an historical record. Let us ensure that we have an historical record in the future that is ours, not brought in from the outside.

We do not want a repetition of these foreign ownership realities. Presently Canadians control 80 per cent of their telecommunications and broadcasting industries. This amendment would ensure that we maintain this level of control of these industries. Furthermore, it brings transparency and openness to the Government of the country and it allows for fairness of opportunity. It would require, by law, that those who acquire any radio authorization, that is any licences, be 80 per cent owned and effectively controlled by Canadians.

For example, this would require that those who hold licences for cellular telephone networks, microwave links, radio relay stations, paging transmitters, mobile data systems, air and marine radar systems, satellite communications, and citizen band radios would have to be 80 per cent Canadian owned and controlled.

This is a very normal request and a consideration of importance. In this new era of evolving technology the use of our precious commodity, that is spectrum and ownership, must be conserved in Canadian hands. It is part of the infrastructure of Canadian communication strategy. Others may use our facilities or rent our facilities, but they should not and may not own those facilities. I think that is the least that we as Canadians owe ourselves.

The Parliamentary Secretary to the Minister of Communications has indicated that ownership of the Canadian communications infrastructure is an important issue. The Bill contains a general enabling power which gives the Governor in Council the authority to make regulations prescribing the eligibility of those who may hold certain kinds of radio licences. These eligibility criteria could include citizenship, ownership or make-up of the board of directors.

It is precisely these issues, that of controlling the eligibility by Governor in Council regulations, that concern me. The process by its very nature is secretive. It is hidden. It leaves many to wonder at times whose agenda is being served. It potentially does not provide all interested players, Canadians, in the game with the same opportunities or with clear rules, and it can allow for manipulation.

By placing ownership requirements in legislation the rules are very clear and, if the rules are to be changed, the process is open and transparent for all. That is why we are here, to legislate the kind of Canada that we want to maintain now and ensure for tomorrow in charge of its telecommunications and cultural industries that include the needed infrastructure found under the management of the Radio Telecommunications Act.

This amendment is modelled from a direction to the CRTC by the Governor in Council under the provisions of Section 22 of the 1968 Broadcasting Act.

The direction we can see in this motion is relatively complex but very precise. It includes as basic requirements that broadcasting undertakings be 80 per cent Canadian owned and effectively controlled. This direction resulted in a number of divestitures and today all broadcast undertakings, whether cable or television, are Canadian owned and controlled.

I think that we have achieved a goal of significance. The reason I bring forward this amendment is to ensure that all radio communications infrastructures are so protected through the legislative process rather than through the discretionary use of regulations and Governor in Council directives. This country has enough regulation; this country has enough Governor in Council rights. I think it is time we put into legislation the will of the people, and the will of the people is that we control our cultural levers, our telecommunications levers, and ensure that they are in Canadian hands.

This view has been supported by the task force on broadcast policy which the Minister put in place. The Caplan-Sauvageau task force made it very clear that 80 per cent ownership at minimum must be maintained. As well, the Standing Committee on Communications and Culture, in its sixth report in May of 1987, *Legislative Provisions for New Broadcasting Legislation*, made a unanimous recommendation that the key components of what constitutes ownership and effective control, that is 80 per cent owned and effectively controlled by Canadians, be written into new broadcasting legislation.

When the Minister considers bringing broadcast legislation into this House, as he might consider bringing in telecommunications legislation, as he is now revising radio communications after so many years, he must ensure that his vision and the vision that we legislators have for Canada is ownership and control of these sectors. That is what defines who and what we are. No one should control it but Canadians. Anyone else is welcome to rent it, to borrow it, to use it, but never to own it or to control it. I hope that has been made very clear. I would like to have it written into the legislation.

Therefore, I believe that this concept is a logical step for the Radio Communications Act which we are studying right now. I suggest that the cabinet direction to the CRTC, which I have had examined by legal counsel and have had adapted to suit the contents of the Radio Telecommunications Act, has a solid and proven record. It is for these reasons that I believe that this House should give its support to this amendment.

This is the first opportunity for the Government, since free trade and the big argument that culture was not on the table, to indicate clearly and unequivocally that culture, cultural industries, and anything else that touches that aspect of our lives are going to be owned and controlled by Canadians, whether through free trade or any other mechanism or market looking for a place to put their money. I would ask Canadians to flex their muscles for now and for tomorrow.

• (1340)

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I just want to say briefly on behalf of the New Democratic Party that we would support this amendment in that, as the Member said who presented it, the amendment would give regulating power so that these institutions could remain Canadian.

I just want to take up one thing which the Member said about whether culture and Canadianization were on the table at the free trade talks. The Government said that they were not. Of course they were. The film Bill, which was withdrawn basically at the request of the Americans, was a good example.

Last night, the Minister and I and various other people went to see a movie called *Jesus of Montreal*. It is a great film. One of the big problems is that it will not be seen by most Canadians because, as the member of the Liberal Party said, 97 per cent of film distribution is controlled by foreigners, mainly Americans. This is a great tragedy. We cannot see our own films in this country.

The Government has to have the guts to enact a film Bill with real teeth in it. I would be less than human if I did not suggest my own Private Members' Bill, which was the Government's original Bill. It would put some teeth and guarantee a slice of the market for Canadians. Of course, the Government cannot do that because it has signed a free deal deal with the United States. That will harmonize our industries and there will be non-discrimination clauses. The Government is stuck. It cannot do anything. It is going to Americanize Canada.

That is a longer debate. It is a debate I have consistently put before this House. I am glad the Hon. Member for Mount Royal (Mrs. Finestone) has now taken up the debate and mentioned all these statistics about how many of our cultural institutions remain essentially in foreign hands. No country in the world can exist independent, like that. We have fought and struggled in this country to have an independent Francophone culture and an independent Anglophone culture. So far as this amendment assists in that grand battle for freedom and independence of Canadian culture, we will support it.

[*Translation*]

Mr. Masse: Mr. Speaker, my two hon. colleagues stated their proposed amendments very eloquently. I am sure there is a great deal of validity and the points they made are very intelligent. But under the circumstances, we believe that this amendment goes too far and would be neither practical nor useful. The Government still believes that it is better for the regulations to have the flexibility required to meet my colleagues' laudable objectives, Mr. Speaker, so that we must refuse these amendments.

[*English*]

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mrs. Finestone: Negatived on division.

Motion No. 1 (Mrs. Finestone) negatived.

Mrs. Sheila Finestone (Mount Royal) moved:

Motion No. 2

That Bill C-6 be amended in Clause 6 by striking out line 8 at page 13 and substituting the following therefor:

"(ii) mailing it by registered mail to the accused the".

Motion No. 3

That Bill C-6 be amended in Clause 6 by striking out line 26 at page 13 and substituting the following therefor:

"delivered or mailed, where there is evidence of such delivery or receipt, does not enter a plea".

The Acting Speaker (Mr. Paproski): Both motions are to be debated together.

Mrs. Finestone: Mr. Speaker, if there were not such time constraints, I would have wished the Minister would have been a little more forthcoming on the reasons why he could not accept the first amendment.

With respect to the second amendment, it is a pretty straightforward, simple one. I do not have to tell you, Mr. Speaker, about the potential for erratic mail service. As a matter of fact for those Members who want to read today's business section of *The Ottawa Citizen*, which has a very fine cover story on Canada Post, I was amused with one comment. Then I thought to myself: "Well, isn't this perfect timing for the Bill in which I am presenting what would seem to me a perfectly logical amendment?"

My amendment essentially states that if you are going to mail me a summons or a ticket that is going to cost me money because I supposedly broke a law, I at least ought to be entitled to a registered letter. That is what I am saying. I just bring to the Hon. Members' attention that Mr. Jim Bennett, the General Manager of the Canadian Federation of Independent Business, which represents 80,000 medium and small companies, calls these claims of wonderful productivity and fine new delivery performances on the part of Canada Post a little, hollow victory.

He states: "We are a major mailer. We are having as much trouble as we ever did. The profit is being raised on the backs of consumers and businesses by more than doubling postal rates, not necessarily increasing its efficiency."

If I am going to get a ticket because I have broken a law, which is what the Government has provided in this Bill, I would suggest that the Minister consider—and Motion No. 3 is just a consequential amendment—under the offences listed on page 11 of the Bill, where it can have very serious consequences both on business and on the individual who buys a product or uses a product, the least the person is entitled to is that the information may be laid after the ticket is delivered or mailed. Let us make sure that it gets mailed in an efficient manner. My recommendation for the amendment in a simple word is: "registered mail". With that, I leave it for the Minister to comment.

[*Translation*]

Mr. Masse: Mr. Speaker, again, we believe that those are excellent suggestions. But the Government believes that it would be too restrictive to specify "registered mail" in the legislation, thus implicitly forbidding all other types of certified mail.

The Government might even deprive itself of the ability to use specialized services that have not yet been developed if such a limited expression as "registered mail" were used.

In this regard, the Government feels that the amendment does not take into consideration new services that might be available and it rejects the amendment.

[*English*]

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 2. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mrs. Finestone: On division.

Motion No. 2 (Mrs. Finestone) negatived.

The Acting Speaker (Mr. Paproski): The next question is on Motion No. 3. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mrs. Finestone: On division.

Motion No. 3 (Mrs. Finestone) negatived.

Hon. Marcel Masse (Minister of Communications) moved that the Bill be concurred in.

Motion agreed to.

The Acting Speaker (Mr. Paproski): When shall the Bill be read the third time? By leave, now?

Some Hon. Members: Agreed.

Mr. Masse moved that the Bill be read the third time and passed.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, this is the first major revision of the Radio Act in 50 years. This is an instrument which the Department of Communications uses to promote the use and orderly efficient development of radio communications in Canada. In this regard, the Department has three principal regulatory functions: first, planning and standards devel-

opment; second, licensing of radio apparatus; and third, enforcement.

• (1350)

Through this legislation interference is controlled as well as the maximum number of users. In addition, it assures users access to the radio frequency spectrum and to all the benefits of radio communications. While Bill C–6 is technical and essentially a regulatory Bill, it goes far beyond a technical systems oriented approach because of whom and what it affects. It is directed primarily to the benefit of the individual in the home or at business. It impacts upon some rather common place devices which everyone takes for granted but which, in fact, only perform properly when they conform to the necessary regulations. Here I am speaking about everyday items such as the radio, television, and telephone to name just a few.

One principle of this Bill is to promote access and enable any individual to enjoy all the benefits of communications technology without one technology interfering with or reducing the benefits from another technology. That sounds pretty fundamental, but it makes sure all things work on their own and in an environment filled with other technologies. It is the kind of thing one has to explain to children and to adults. Although technology and terminology is very complex, it does have a role to play in our lives. What we are dealing with today is very important. It sets out the administrative rights and remedies which enable us to use the system.

In practical terms this legislation permits the Department of Communications to set technical standards where necessary for manufacturers, importers, and distributors of radio equipment to ensure consumers obtain safe and trouble free equipment.

The 1938 Act only allows the Department to act if it finds substandard radio equipment actually being used. Under Bill C–6, the Government will be able to stop the importation, manufacture or sale of substandard equipment. This new power will match regulations in the United States, the United Kingdom, and Australia.

Buyers of radio equipment will not be the only consumers to benefit from the new Bill. The Bill for the first time deals with electro–magnetic immunity, the ability of radio and non–radio electronic devices to reject unwanted radio signals and to operate normally in their presence. This is an important change as radio signals can cause malfunctions in such non–radio electronic equipment as heart pacemakers, railway crossing gates, computers, and stereos. We have all heard about viruses. The change is vital and key in terms of what has to be done.

Finally, it is with a great deal of regret that the bureaucratic input has prevented the Minister from using what I consider would have been his good judgment. He would acknowledge that to ensure 80 per cent ownership and control would only have made good sense now for his children, my children, and our grandchildren. It would have prevented for Canadians the kind of history lesson that we have in all the other cultural industries I outlined at report stage of this Bill.

I am really distressed that the Minister was not allowed to use his ministerial discretion in this instance. From my point of view the ability to ensure fairness, openness and to reduce the amount of regulatory procedures by Governor in Council would have been in the interests of all Canadians.

Although I welcome the presence of the chairman of our standing committee who should have influenced the Minister, it is with the deepest regret that I see what the Minister was unable to do because of the bureaucrats.

I have three more minutes.

Some Hon. Members: Oh, oh!

Mrs. Finestone: Don't die, the Bill is going to the Senate. You have been rushing me all morning. I am going to have my last say. Ian, are you speaking?

Mr. Waddell: Yes.

Mrs. Finestone: I will give him one minute, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mrs. Finestone: To ensuring fairness and due process, the Minister said no. To ensuring openness and transparency in government, the Government said no. To saying yes to Canadians and to 80 per cent Canadian ownership cent, the Minister said no. I regret all that. That is what we have. The Bill has to go, and off we go.

Some Hon. Members: Oh, oh!

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, that last minute and a half was the best speech I have ever heard from the Hon. Member for Mount Royal (Mrs. Finestone).

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Waddell: The Member should put herself under that deadline more often. I am glad she is allowing me to speak for one minute. She said that I could speak for a minute. I would hate to be one of her children.

Mrs. Finestone: They are well bred and well read children.

Mr. Waddell: They must get fairly tough discipline.

Some Hon. Members: Oh, oh!

Mr. Waddell: I am sorry. I said "children", not grandchildren.

Mrs. Finestone: I have those, too.

Mr. Waddell: That is nice to know. I would never have suspected that.

Some Hon. Members: Oh, oh!

Mr. Waddell: Before I put my foot in my mouth, I had better finish off.

On behalf of the New Democratic Party, we are agreed to the passage of this Bill. It is long overdue. We have to update technologically ourselves.

The Hon. Member for Mount Royal mentioned heart pacemakers, computers, and so on. I, too, wish that there would be more measures to protect Canadian culture, which I think is in great need of further protection if we are to develop and remain independent as a country. That has to be in another Bill and another place. I hope the Minister will bring the Broadcasting Act back soon to the House.

Mr. Masse: This afternoon?

Mr. Waddell: Not this afternoon, but in the fall. Again we can see that expression of the Minister's commitment to Canadian culture, arts, cultural institutions, and CBC if I dare say that, as well as to the CRTC, and so on. We will look at the Bill to see how much the Minister has changed, to see whether he is still committed to those institutions.

[*Translation*]

Mr. Masse: Mr. Speaker, I just want to take a moment to thank all who participated in the debate in this House and in the committees and all who worked on drafting this legislation with the Department of Communications, in many consultative meetings. In closing, I would like to emphasize the importance of the spectrum management group in the Department. Although it is important, it often does not receive the publicity or discussion that other groups in the Department have, as in the cultural field, for example.

I wish to thank them for their day-to-day work to provide Canada with a very efficient spectrum management service, for the benefit of all Canadians.

[*English*]

Motion agreed, Bill read the third time and passed.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

THE ENVIRONMENT

ELIMINATION OF DIOXINS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the most toxic poison with which we have managed to foul the environment are dioxins. Their elimination from all sources should be an urgent priority of this Government.

We are threatened by dioxin producing industries such as the Woodfibre pulp and paper mill in Howe Sound. However, what does the Government do in this case? It closes the fisheries, not the polluting mill. The Government chooses to deal with symptoms, not causes.

Yes, the Minister has promised tough regulations on dioxins, but not coming into force until 1990. In the meantime, why does the Minister not use the powers he has and issue an interim order to apply the regulations immediately? The cause of the problem lies with the pulp and paper mills. They should be closed, not the fisheries. To protect fisheries, the Minister must deal swiftly with pulp and paper mill pollution.

If Canadians are to take seriously the proclamation of the Prime Minister (Mr. Mulroney) on sustainable development, the Minister must act, for actions speak louder than words.

* * *

NATIVE RIGHTS

CONVENTION 107—INTERNATIONAL LABOUR ORGANIZATION

Hon. André Ouellet (Papineau—St-Michel): Mr. Speaker, a Canadian Government delegation in Geneva is being accused by native groups from several countries of attempting to undermine an international covenant on native rights.

The 150-nation International Labour Organization, a UN affiliate, is currently meeting to revise its Convention 107 on the rights of indigenous peoples, originally passed in 1957 and now considered outdated. A number of the amendments presented by the Canadian Government are objectionable. Native leaders are objecting more precisely to 25 amendments proposed by Canada because they believe they weaken attempts for a strong statement in the revised convention.

• (1400)

In view of Canada's image as a promoter of human rights, surely the Secretary of State for External Affairs (Mr. Clark) should review this situation and instruct the head of the Canadian delegation to changes these unacceptable amendments.

* * *

EXTERNAL AFFAIRS

LETTERS TO CHINESE AMBASSADOR

Mr. Bill Attewell (Markham): Mr. Speaker, on Tuesday, June 20, I witnessed the profound effect the recent tragic events in Beijing have had on young Canadians when I met with teacher Miriam Smith and her grade 5 class at Raymer Wood Public School in Markham. It is been an especially difficult time for some of the students who have relatives living in China.

The following are excerpts from some of the letters the students wrote as a class project to Chinese Ambassador Zhang Wenpu deploring his Government's actions in Tiananmen Square.

Christopher Reid wrote:

> What is your government doing ordering your army to attack innocent people?—all they want is to discuss democracy with the government.

Ilana Shamoon's letter read:

> —the people just wanted a discussion—it wasn't right for him (Mr. Xiaoping) to have them killed.

Anthony Latchman wrote:

> I can't believe that your government said to kill people. The students weren't even armed.

Renée Pecham expressed the hope of everyone when she said:

> I hope Mr. Xiaoping will come to his senses.

These young students, although 10 and 11 years of age, have come to realize the democratic system we so freely enjoy here in Canada should not be taken for granted but should be cherished and nourished.

* * *

FINANCE

NEW SALES TAX

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, the Minister of Finance (Mr. Wilson), hides behind the constitutionality question to say that he cannot make the new sales tax visible to Canadians. I see today that constitutional experts are saying that that is nonsense.

Who should we believe? Should we believe the Minister of Finance? He said he would remove the personal surtax, but now he will not. He said he will keep the tax revenue neutral but now he will not. Finally, he said he would make the tax visible to Canadians so that everyone would know exactly how much tax they are paying, but now he will not.

Why should we trust the Minister of Finance? Does he know what it is like to have to worry about the extra $10 or $20 it will take under his new sales tax to buy a new winter coat? The Minister should withdraw his plans for the new sales tax and bury this burden in a black hole where average Canadians would like to see it go.

* * *

TRANSPORTATION

RAIL PASSENGER SERVICE

Miss Deborah Grey (Beaver River): Mr. Speaker, I believe that Canadians are looking for better ways of dealing with the problems of rail passenger service. The Opposition seems to endorse permanently subsidizing a losing operation. The Government advocates starving

the public monopoly to death while VIA Rail bureaucrats dither over how to ration out their dwindling supplies of cash.

This week in Yellowhead, Preston Manning unveiled the Reform Party's alternative to this situation. Transport Canada should, in consultation with affected communities and labour organizations, prepare public "request for proposals" for operation of rail passenger service on a line-by-line basis. These would be solicited from potential alternative operators including VIA Rail. Contracts would be awarded to the respondent capable of doing the best job most cost effectively. This would be a formal process, free from political interference or political connections.

I would be happy to provide additional information to anyone who is interested.

* * *

[*Translation*]

MEECH LAKE ACCORD

SPECIFICITY OF QUEBEC

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, as a French-speaking Quebec Member of this House, I will have the great pleasure of sharing with my fellow Québecers the Saint-Jean-Baptiste Day's celebrations.

Yet, this year, I will take part in these celebrations with a touch of concern in my soul. With the Meech Lake Accord, the Prime Minister, the Right Hon. Brian Mulroney, had given back to us, Quebec men and women, a feeling of great pride and satisfaction because he had secured from all provincial premiers the recognition that Quebec was indeed a distinct society.

Now, we feel that this recognition to the effect that we, as Québecers, are equal although somewhat different as partners, is shifting away from us. Some potential party leaders are even trying to reach the top at Quebeckers' expense.

While the last two undecided provinces still have almost a year to recognize this fact, let me remind you that although a federation is built on compromise, do not ask Quebec men and women to renounce their identity!

S. O. 31

FRANCE

BICENTENARY OF REVOLUTION

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, all Canadians join with their cousins to celebrate the 200th Anniversary of the French Revolution.

Without it, Mr. Speaker, the evolution of Mankind would have been different. We would not have understood the thirst for freedom of these young Chinese in Beijing, if France had not been the first to abolish racial, religious and social discriminations.

We want the whole world to know that the efforts made by the revolutionaries who stormed the Bastille prison, and by the legislators who worked during the States General to ensure the triumph of the ideal of equality, liberty and brotherhood were not in vain.

Mr. Speaker, we continue this fight and come in a not so distant future, we shall overcome.

I therefore ask the House and all Canadians to join with me in wishing the whole French nation a happy 200th Anniversary!

* * *

[*English*]

AGRICULTURE

ADVANCE PAYMENTS PROGRAM

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, the interest free aspect of the advance payments program has been eliminated. A representative of Agriculture Canada reported to producers at a recent meeting on Prince Edward Island that a producer group in western Canada advised the Minister that advance payments impeded the marketing of canola. Out of concern, the Minister axed the program.

This same producer group has advised that it never made representation to the Minister, that its markets were not affected by advance payments and that advance payments actually complemented their marketing efforts. I submit that the excuses Island producers were given are invalid. I further submit that American demands for subsidy free agriculture in Canada are the hidden reasons behind the removal of this program. It seems that the Minister is more concerned with pleasing his American counterparts than with pleasing Canadian farmers.

S. O. 31

FAMILY VIOLENCE

MINISTER'S REMARKS AT CONFERENCE

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, the Minister responsible for the Status of Women told a family violence conference yesterday that a change in attitudes would stop family violence and that transition homes were not the answer. This sounds remarkably like a justification for why the Government is spending only $10 per year per battered woman. It is waiting for a change in attitudes so that the problem will go away.

Of course attitudes must change, but the Minister knows that one out of two battered women coming to a transition home is turned away because of lack of space. Battered women cannot afford to wait around for attitudes to change as the Government is doing. Battered women need support and services and they need them now.

* * *

[*Translation*]

ST. JEAN BAPTISTE

TRIBUTES TO FRENCH CANADIANS

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, I would like to take the opportunity at this time—we obviously won't be sitting tomorrow—to say that June 24 is a very important holiday for us French-Canadians throughout Canada.

For us, St. Jean Baptiste Day speaks of our pride in belonging to the two great founding people of this country. For a number of years, we have taken this opportunity to raise our profile in this great country of ours.

I would also like to wish a happy holiday to all French-speaking Canadians. June 24 is a significant day and we have a reason to be proud. Together, we will celebrate throughout the country a holiday which marks our presence in North America for over 300 years. We are here to stay!

[*English*]

HEALTH

REQUEST FOR BAN ON PHARMACIES SELLING TOBACCO PRODUCTS

Mr. Brian White (Dauphin—Swan River): Mr. Speaker, a recent full-page ad sponsored by Physicians for a Smoke-free Canada reads: "Tobacco kills, smoking is a major cause of disease, disability and the premature death of 35,000 Canadians a year". This is quite true. Then the ad asks people to boycott those pharmacies that sell tobacco products. As well, the Canadian Medical Association last month asked its 46,000 members to send patients to smoke-free pharmacies.

• (1410)

The goal of smoke-free pharmacies is a noble one, and many across Canada have already removed tobacco from shelves. However, the Canadian Medical Association policy is totally inappropriate as long as it says nothing to patients who go to doctors who smoke. I submit that consulting a doctor who smokes is more a contradiction to good health than is buying a product in a drug store that sells tobacco.

I will accept the Canadian Medical Association boycott only after all 46,000 Canadian physicians are non-smokers.

* * *

SOCIAL SERVICES

PROPOSED CUTS IN SOCIAL ASSISTANCE

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, in Nova Scotia the allocation of social assistance is the responsibility of the municipalities. Recently, the Halifax City Manager has proposed cuts in the amounts and eligibility for assistance. For example, it will deny the working poor, unemployed with no children, and some single parents basic assistance for food, clothing, and shelter after three or four months; it will deny all special needs assistance to the disabled, single parents, and the elderly; it will deny all special needs except prescription drugs; and it will cut shelter allowance by $50 per month.

The reneging on promised child care funding allocation by the federal Government leaves many parents unable to work because of the lack of adequate, affordable child care. The federal Government has a responsi-

bility to ensure that its commitments to child care are met, that the obligations of the Canada Assistance Plan are enforced, and that the poor and the disabled in Halifax and in other Canadian communities are not abandoned in the name of deficit reduction.

* * *

[*Translation*]

SUPPLY AND SERVICES

PROMOTION OF RELATIONS WITH SUPPLIERS

Mr. Guy St-Julien (Abitibi): Mr. Speaker, this week the Minister of Supply and Services (Mr. Dick) launched his Department's new and dynamic supplier relations promotion program. He also signed a memorandum of understanding with the Chairman of the Canadian Chamber of Commerce, Mr. Roger Hamel, under which both parties agree to work together to keep the industry better informed of how to sell to the federal Government.

The Canadian Chamber of Commerce is a network of local Chambers of Commerce and of business and professional associations. It represents over 170,000 members. Mr. Speaker, that excellent program is going to give the industry easier and faster access to Government contracts.

* * *

[*English*]

CANADA POST CORPORATION

SUBSIDIES FOR PUBLISHING INDUSTRY

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, just over one year ago, the Communications Minister of the day announced that the postal subsidies program would remain unchanged for the next five years.

James Warrilow, President of MacLean-Hunter, said that this announcement ended the uncertainty plaguing the publishing industry. He stated that publishers would be able to plan their distribution costs for the next five years.

However, the recent Budget announced the intention of the Government to reduce postal subsidies by $10 million during 1989-90, and by $45 million each subsequent year.

These measures pose a direct threat to the publication of research and other scholarly works. The Social Science Federation of Canada indicates that this will grievously undermine the dissemination of scholarly publications in Canada.

On behalf of this organization, and the 14,000 researchers who belong to more than 65 post-secondary educational institutions across this country, I call on the Minister to renounce these restrictions on postal subsidies.

This Government should live up to its previous five-year commitment.

* * *

[*Translation*]

NATIONAL ARMED FORCES DAY

THANKS TO THE MEMBERS OF THE CANADIAN ARMED FORCES

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, National Armed Forces Day will be celebrated on June 24. Several bases and stations across the country will open their gates to the public for the occasion. There will be concerts and parades. I encourage all Canadians to visit these military facilities and to meet the men and women who work there.

Once a year, on National Armed Forces Day, we give Canadians the opportunity to thank members of the armed forces who represent us with such distinction in Canada and all over the world. They also work to protect Canada's security and sovereignty. In cooperation with our allies, they help maintain world peace. We are proud of our armed forces and we want to thank them for a job well done.

* * *

[*English*]

THE LATE HON. WILLIAM HAMILTON

Hon. Bob Layton (Lachine—Lac-Saint-Louis): Mr. Speaker, from 1957 to 1963, the riding in the west end of Montreal named Notre-Dame-de-Grâce, was represented in the House of Commons by the Hon. William "Bill" Hamilton. He was an exemplary political campaigner, visiting bus and streetcar stops early and late, and in all weather conditions to meet his electors. As a young Conservative, I was proud to work on his enthusiastic campaign team.

He served admirably as Postmaster General in the Government of Prime Minister Diefenbaker, and as a business leader in Vancouver. He became a member of the Macdonald Royal Commission that studied Canada's economic future.

Following his recent death at 70, all Canadians join with his family in celebrating a life of service, and expressing thanks to Bill Hamilton.

* * *

INCOME TAX

QUALIFICATION FOR DISABILITY DEDUCTION

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I rise on a matter which I believe is of concern to all Members of the House.

A deduction due to a disability is something that has been in place for a number of years in our tax system. However, the Government has set up a system which makes it extremely difficult for individuals to qualify, and could lead to discouraging people from applying for this very legitimate deduction.

The Government has set up a disability determination section in Ottawa to make decisions on the claims local Revenue Canada officers do not feel are clear-cut. However, I have a large number of files in my office of individuals, some of whom have been waiting a year or more to obtain a ruling on their deduction for disability. When one calls the local Revenue Canada office, it will not give the number for the disability determination office in Ottawa. When I called the Department of National Revenue in Ottawa, a member of the Minister's departmental staff had not even heard of such an office.

I do not think that it is legitimate for Revenue Canada to expect people to wait for a year or more before receiving an answer, thus causing disabled individuals increased stress and anxiety. I urge the Minister of National Revenue (Mr. Jelinek) to move immediately to put some speed into this snail-like system and stop penalizing the less fortunate members of our society.

ORAL QUESTION PERIOD

[*English*]

FINANCE

NEW FEDERAL SALES TAX

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, my question is for the Minister of Finance. Contrary to his earlier and repeated assurances that the new federal sales tax would be plainly visible to all consumers, the Minister has stated that the Government has now learned that it does not have the constitutional right to make it clear to consumers how much tax they are actually paying.

Yesterday, among others, the Minister of Finance for Saskatchewan stated: "Our constitutional people strongly disagree with that. It is our view that he, the federal Minister of Finance, does have that power".

Would the Minister now state clearly, whose constitutional advice he took, and how he arrived at his remarkable conclusion? Will he table a statement indicating how the Constitution limits the ways in which a federal tax is administered, including the procedures necessary to make it clear at the cash register what sales tax consumers are actually paying?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, one of the principal motives of the Government in sales tax reform is to make it much clearer than it is under the existing sales tax system precisely what amount of sales tax consumers are paying.

Under the proposed system, the goods and services tax, we will be bringing the sales tax to the retail level in order that everyone will know that on taxable goods, they pay 9 per cent tax at the retail level. As I indicated yesterday, that is simply not the case today. People do not know what federal sales tax they are paying. Under the goods and services tax we are taking a major step forward in the awareness that consumers will have of the existing tax.

The Hon. Member asks if we have the legal right to do this. Our legal advice is that we do not have the legal right to require a retailer to impose the tax extra to pricing, or to include it in the pricing. That is an option for the consumer.

Under the technical paper that we will be making available shortly, it will show very clearly how the federal Government will encourage the much greater awareness of consumers of the sales tax that they are paying.

• (1420)

VISIBILITY OF NEW SALES TAX

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, the Minister has indicated that the greater visibility that he has promised will be in the form of a small sign that will hang in a shop indicating that sales tax will be paid on some or all of the products sold in that shop. In failing to ensure that the new federal sales tax will be clearly visible, he is leaving the provinces with no alternative but to collect their provincial sales tax on top of the federal sales tax. This double taxation will give the provinces a windfall of almost a half billion dollars of taxpayers' money.

Will the Minister now keep his promise to Canadians by taking immediate steps to ensure that the new federal sales tax will be added at the cash register, as it should be, so that one tax is not being piled on top of another tax?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me expand on my comment which I gave in answer to the first question to illustrate the point that I made.

A study done of the 12 per cent rate—and not the 13.5 per cent rate that is in place right now—shows that the highest effective tax rate at the retail level is 12.67 per cent. Under the same tax the lowest effective tax rate is 6.05 per cent. The consumer does not know whether it is 12.67 per cent or 6.05 per cent, or anything in between.

Mr. Gauthier: And he still won't know.

Mr. Wilson (Etobicoke Centre): The Hon. Member says that he still will not know. He will know that on that product there will be a 9 per cent tax regardless of where he buys it, who he buys it from and what the brand name is. It will be 9 per cent and it will be very clear to Canadians that it will be 9 per cent.

Some Hon. Members: Hear, hear!

PROPOSED TAX CREDITS

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, the Minister knows perfectly well that under his present plan a consumer shopping in a supermarket will pay tax on certain items in that supermarket and not on other items. He knows perfectly well that that will confuse and obfuscate the collection of taxes at the retail point.

The Minister has promised that the new tax will be clearly visible. It will not be. He promised that it will be revenue neutral. He knows that it will not be. He promised that surtaxes on income tax will be removed when the new tax is introduced. He knows that they will not be.

Can the Minister now assure the House that the substantial tax credits, which he has promised continually to the Canadian people to offset the regressive nature of the new tax, will be in place and will be of a character to ensure that the poorer people in our society are not paying an undue amount of this tax?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have indicated very clearly on a number of occasions that answers to questions related to the awareness of consumers of the tax, the impact on our revenue position, the impact on low-income people and the benefits to be gained from the refundable sales tax credit will all be very clear when we make available the technical paper.

The important point that needs to be made here is that what the Hon. Member is saying about the hidden nature of the existing tax underscores quite clearly the reasons why we have to move to a new sales tax system and why his Party—and I believe he himself—has supported the fact that we must change from the existing sales tax system to the new sales tax system. I appreciate the support of the Liberal Party of Canada to moving forward to the goods and services tax.

Some Hon. Members: Hear, hear!

* * *

DISASTERS

AIR INDIA FLIGHT 181—INVESTIGATIONS OF CANADIAN SECURITY INTELLIGENCE SERVICE

Mr. John Nunziata (York South—Weston): Mr. Speaker, four years ago tomorrow, on June 23, 1985, Air India flight 181 *en route* from Toronto to London was bombed before it reached London. Some 329 people were murdered, most of them were Canadians.

The Canadian Government has bungled the investigation from day one. The Royal Canadian Mounted Police was involved with erased tapes. The Canadian Security Intelligence Service has also been involved in some false affidavits.

Today, a new book alleges that the Canadian Security Intelligence Service has been investigating and, in fact, investigating at length a link between agents of the Indian Government and the bombing.

I would like to put my question to the Prime Minister. Is he aware of the Canadian Security Intelligence Service investigating this link?

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I understand why my colleague asks the question, in view of the long delay. But I believe that I already informed the House several weeks ago that the RCMP is still conducting a criminal investigation. The Commissioner informed me about it.

You know all that is involved in this affair, Mr. Speaker, and any further statement at this time, while criminal investigations are underway and civil cases are before the courts—Unfortunately, I feel it is completely inappropriate at this stage to comment further any way whatsoever on this case, Mr. Speaker.

[*English*]

REQUEST FOR ROYAL COMMISSION OF INQUIRY

Mr. John Nunziata (York South—Weston): Mr. Speaker, that is nonsense. For four years we have been told the same story. Time and time again the Government of Canada says that the investigation is ongoing and charges are imminent.

We have had a royal commission of inquiry in Canada into the conduct of a Cabinet Minister, Sinclair Stevens. Another one is going on into the conduct of an Olympic athlete. Here we have the most hideous and horrific crime ever in Canadian history. For some reason the Government of Canada refuses to initiate a royal commission of inquiry.

Is the Minister refusing to initiate a royal commission of inquiry because of the bungling of his Government, because of the false affidavits, because of the erased tapes, because of the advance warnings that the Government had? Or is it because of the link with the Indian Government?

I would like the Prime Minister to stand up. He has an obligation to the families of the victims to stand up in the House of Commons and to tell us exactly what was behind the Air India bombing.

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, these questions were raised just a few days ago in the Standing Committee. The RCMP Commissioner informed those in attendance that more than thirty RCMP officers were now working on the case. Obviously, it is most unfortunate. Many people died. This type of investigation takes a lot of time to get all the facts.

I was assured by both the RCMP Commissioner and the Director of the Canadian Security Intelligence Service that the two agencies cooperated and did all they could to move this investigation forward. It is making progress.

Unfortunately, it seems to me quite inappropriate to raise this issue or to bring up the investigation in the House of Commons. Mr. Speaker, we must let the RCMP continue this investigation. It has committed all the available energy and resources required for this purpose.

* * *

[*English*]

FINANCE

COMMITTEE REPORT ON MONETARY POLICY

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is directed to the Minister of Finance. It refers to a Finance Committee report issued on monetary policy. It was issued this morning.

The Minister is now aware, of course, that we have a national consensus which includes the 10 Premiers, the Canadian Conference of Catholic Bishops, the small business community, the farming community and the Finance Committee of this House which represents all three Parties, which states that interest rates must come down, and must come down now.

Some Hon. Members: Hear, hear!

Mr. Nystrom: In light of the fact that the Finance Committee report states: "Monetary restraint can be too tough and too long" and makes the primary recommendation that the Bank of Canada must relax its stance on monetary policy now. I want to know from the Minister of Finance whether or not he agrees that enough is enough, that it is the time to act, and that he instruct

John Crow to bring down the bank rate and bring it down now.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think that the work that is being done by the Finance Committee can be a useful contribution to the whole discussion of monetary policy.

However, I have to draw to the attention of the Hon. Member the fact that just this week we have had an indication of the tremendous strength in the economy over the past couple of years, and the fact that we have had an upward adjustment in the amount of growth in the economy which puts Canada right at the top of major industrialized nations in economic growth over the past two years. That, together with the ongoing high levels of inflation we have also seen this past week, in face of the increased level of the Canadian dollar and the high interest rates we have been encountering over the past number of months, indicates quite clearly that the Governor of the Bank of Canada, whose position has been fully supported by the Government, has been correct in maintaining the monetary policy he has been following. If we had not followed that policy, we would have had a much more serious inflation problem.

• (1430)

If the Hon. Member needs to be reminded, that is what got us into the mess we had in 1981 and 1982 when we had the most serious recession this country had seen since the 1930s.

Some Hon. Members: Hear, hear!

Mr. Nystrom: The Minister of Finance is sounding more and more like a clone of Allan MacEachen every day.

Some Hon. Members: Oh, oh!

Some Hon. Members: Withdraw.

Mr. Mulroney: How could you stoop so low?

Mr. Speaker: The Hon. Member has struck a tender cord.

Mr. Nystrom: I suppose I have also insulted the Senator in the other place, Mr. Speaker.

[*Translation*]

REQUEST FOR LOWERING OF BANK RATE

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, it is now eight weeks since the Minister promised in his April 26 Budget to lower the interest rate set by the Bank of Canada. Mr. Speaker, we now have the support of Opposition Members on this side and Government Members on that side for reducing the rate.

Is the Minister of Finance prepared to say this has gone far enough, to do his duty and tell John Crow the time has come to lower interest rates in Canada?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, according to the rules of the House, I believe I would have to give you notice at the earliest possible opportunity of a question of privilege after the Hon. Member's descriptions of me in his preamble. It is slanderous and I cannot accept that.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): The Hon. Member says that he would like to see lower interest rates. The Government of Canada would like to see lower interest rates. We believe that we have put in place a Budget which will lead to lower interest rates. That is the position I set in the budget speech itself, as well as on a number of occasions since that time.

However, markets must be allowed to work. The Governor of the Bank of Canada cannot wave a magic wand, nor can the Minister of Finance. Markets have to work to allow interest rates to come down.

If they are brought down artificially, it will result in precisely the problems we went through in the 1970s when the Government of the day ignored the problems of inflation, which led to the mess we got into in the 1980s. That is something that we on this side of the House are determined to avoid, even though the members in the New Democratic Party are quite happy to return us to the mess we got into at that time as a country.

WITHDRAWAL OF PROPOSED NATIONAL TAX—MINISTER'S POSITION

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, the Minister knows very well that one of the problems

with the high bank rate has been the inflation rate, which has been created in part by the taxes of the Government opposite.

The proposed national sales tax will add at least 2.5 to 3 points to the Consumer Price Index. When the CPI goes up, Governor Crow usually responds by jacking up the interest rates.

In light of the pigheadedness of Mr. Crow, will the Minister of Finance make a commitment today to withdraw the proposal for a national sales tax, bring down interest rates, and strengthen the economy?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I presume the Hon. Member is saying that he wants us to withdraw the goods and services tax and return to the hidden tax, that existing federal sales tax and all the problems it has caused. He is also turning his back totally on the tax probe of the New Democratic Party which stated that the existing sales tax is a mess.

Mr. Nystrom: Answer the question.

Mr. Wilson (Etobicoke Centre): Let me address the substance of the Hon. Member's question about what will be the response of the Governor of the Bank of Canada to that short-term, one time only inflation impact.

The Governor of the Bank of Canada has indicated to me that he just does not look at the nominal numbers of inflation but at the underlying performance of the economy and what is happening to the underlying rate of inflation, to the growth and demand in the economy. He looks at what is happening to capacity utilization and monetary growth rates. All these things form monetary policy, not the one single item of the raw figure for inflation.

* * *

EXTERNAL AFFAIRS

SOFT TARGET

Mr. Sergio Marchi (York West): Mr. Speaker, my question is directed to the Secretary of State for External Affairs.

Today's release of the book *Soft Target* reveals the elaborate and covert operations of the India Government in Canada to discredit and destabilize the Canadian Sikh community and the manipulation of the Minister and his Department in this scheme.

Given that CSIS has confirmed to the authors that a special investigation was conducted into the behaviour of Indian diplomats in Canada, and that a report was submitted to the Minister's Department in 1986, will the Minister inform the House of the details of that report? Will he confirm or deny that he refused to act on that serious and sensitive report because he did not want to jeopardize a $1.9 billion pipeline deal between Canada and India?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I try to keep up with current literature, but I have not had the opportunity yet to read the book to which the Hon. Member is making reference. I will take a look at that. I will treat his question with the seriousness I usually accord to his questions.

Let me deal with the last implication in his question. That implication is false.

GOVERNMENT RESPONSE

Mr. Sergio Marchi (York West): Mr. Speaker, there are also allegations in the book that officials from the Department of External Affairs knowingly got involved with the Indian Consulate in Toronto that paid informants to spy and oversee the actions of various members of that Canadian Sikh community.

Given the Minister's own track record with this community, the letter to the Premiers, the intervention in Sikh refugee cases, the attempted blocking of the Canadian chair of Sikh studies in Vancouver, and the Minister's refusal to appear before the Standing Committee on Multiculturalism to justify his actions, is the Minister concerned about this unholy matrimony between the Government of India and the Government of Canada, when the rights of Canadian citizens of Sikh origin in this country are being violated? Don't you have any respect for their citizenship in this country?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member is exceeding even his low standards in some of the allegations he is making. We make Canadian policy for Canadian reasons. We place as a priority of Canadian policy the interests of Canadian citizens.

We also maintain relations with friendly Governments. If those friendly Governments engage in any activities, including intelligence activities which are inappropriate,

we deal with them directly, we reprimand them directly, and we require the removal from the country of people involved in those improper activities.

The Hon. Member should not abuse his position as an elected Member of this House of Commons to try to raise these kinds of allegations.

* * *

TRANSPORTATION

VIA RAIL SERVICES – MINISTER'S POSITION

Mr. Maurice A. Dionne (Miramichi): Mr. Speaker, my question is directed to the Minister of Transport. The Minister has stated on several occasions that only 3 per cent of Canadians ride the train, but he has never gone on to say that only 4 per cent of Canadians ride the bus and that only 7 per cent travel by air, while 85 per cent of Canadians travel by automobile.

Why is the Minister so determined to run VIA off the rails rather than support the corporation as he should be doing?

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, the best way to help a corporation and a country is to ensure that both the corporation's and the country's finances are in good shape. That is exactly what we want to do with VIA Rail. I did not say that 6 per cent of Canadians travel by bus because I was talking about VIA Rail and about the ridership of VIA Rail. However, Mr. Speaker, I repeat that the funds allocated to VIA Rail in the last Budget reflect the frequency with which Canadians use this transport mode, and it is on the basis of this information that we intend to apply the present budgetary restrictions.

• (1440)

[*English*]

USE OF ORDERS IN COUNCIL

Mr. Maurice A. Dionne (Miramichi): Mr. Speaker, today the Minister has said that he will use Orders in Council to slaughter VIA Rail.

Why has the Minister decided that democracy in this country no longer matters? When will he stop using the math of the Minister of Finance and the truth of the Prime Minister to deal with this House?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, what I have said, and I repeat it, is that in the budget of April 27 there are many proposals or possibilities to deal with the VIA Rail budget.

One of those proposals could be abandonment of routes. If it happens, we could consider different options. Within the options is one is to go directly, by Section 64, to Order in Council. However, it will be done when we know if there are abandonments. Until that period of time I believe it is just speculation.

* * *

CHARITABLE ORGANIZATIONS

STATUS OF PRINCE CHARLES PROJECT

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I have a question for the Prime Minister concerning Patricia Starr and the Prince Charles Housing Project in Toronto.

The Prime Minister knows the charitable status of this building depends on it being exclusively charitable in the judgment of Revenue Canada. This charitable status was only obtained with the intervention of the Minister of Employment and Immigration.

Can the Prime Minister explain why charitable status has been continued when such needy persons as Mrs. Starr's son and a staff member of Premier David Peterson's office were both residents of this complex?

Why are Liberal and Conservative Party connections the main requirements for tax subsidized housing at Patty's Place?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, let me say first that the National Council of Jewish Women of Canada, the Toronto section, has co-operated fully with Revenue Canada in its ongoing investigation. I think that should be made very clear off the top.

Revenue Canada is conducting an investigation into their operations. We are having co-operation from them. I think we should wait until that investigation is finished before the Hon. Member jumps to some of the totally unfounded conclusions he has jumped to.

PC CANADA FUND

Mr. Jim Karpoff (Surrey North): Mr. Speaker, my supplementary question is also for the Prime Minister.

During the 1988 election, the PC Canada Fund received $2,000 from the Starr charity for dinner for the Prime Minister.

Does the Prime Minister consider himself to be a charity worthy of a $2,000 donation for a meal?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, as the Hon. Member knows, people buy tickets to events. If any moneys have come into the hands of the PC Canada Fund or Members of Parliament that are not rightfully there, they will be returned.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF JIM DINNING, ALBERTA MINISTER OF EDUCATION

Mr. Speaker: I wish to draw to the attention of Hon. Members the presence in our gallery today of the Honourable Jim Dinning, Minister of Education of the Government of Alberta.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

PAROLE

CHANGES IN THE REGULATIONS CONCERNING SEXUAL DELINQUENTS

Hon. Bob Layton (Lachine—Lac-Saint-Louis): Mr. Speaker, I have a question for the Solicitor General.

According to an article which appeared this morning in the *Globe and Mail*, the National Parole Board Regulations will be changed to prevent the premature release of sexual offenders.

Could the Minister explain why these changes were not made before and how they will affect Bill C-67?

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, as the Hon. Member said, this Government adopted Bill C-67 for the purpose of preventing dangerous criminals—this is a very important issue which affects all Canadians, Mr. Speaker.

Canadians are concerned about dangerous criminals and especially about the fact that they might be released before serving their full sentence. There was still one major point that my predecessor submitted to a task force, namely, the severe harm that might be caused.

I asked officials in my Department, the Deputy Minister responsible for the National Parole Board and Correctional Services, to come up with a more restrictive definition of severe harm, which we did quite recently. As a result, and Canadians will be pleased to hear this, now that we have tightened up the criteria for evaluating severe harm, our system will be able to offer better protection to all Canadians. I think that is good news.

* * *

[*English*]

FREE TRADE AGREEMENT

REMOVAL OF EXPORT TAX ON LUMBER

Mr. Bob Wood (Nipissing): Mr. Speaker, in the absence of the Minister for International Trade, my question is for the Prime Minister. He will know that 1,300 employees at the G. W. Martin Lumber Ltd. are some of the latest victims of the Government's softwood lumber agreement which really has devastated the industry in northern Ontario.

The Minister for International Trade has said that he agrees that the export tax is unfair because of the increase in exchange rates and should be removed. Is the Prime Minister prepared to undertake that his Government will end this tax?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Government of Canada is involved in consultations that we hope will allow a regime to be put in place that would remove the necessity for that tax. I am not in a position to give details on the extent of those negotiations.

Mr. Wood: I certainly appreciate the Minister's answer.

ALLEGED DOUBLE STANDARD

Mr. Bob Wood (Nipissing): Mr. Speaker, my supplementary question is for the Prime Minister.

The Minister for International Trade is willing to go to the GATT to have an unfair U.S. import tax on oil imports removed to help the energy sector, but he is unwilling to stand up to the Americans on the lumber issue where an unfair export tax which we are collecting is costing thousands of Canadians their jobs.

Why this double standard? Will the Prime Minister explain this sell-out of workers in northern Ontario?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there is no double standard. There is certainly no desire to do anything but help workers in northern Ontario and elsewhere in the country.

What is at issue here is the necessity to have in place some agreement between Canada and the United States that will take the place of a tax whose history is well known to Members of this House. Those discussions involving Canada and the United States are going forward, and there are consultations with the Canadian industries affected.

* * *

TOURISM

ECONOMIC REGIONAL DEVELOPMENT AGREEMENTS

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, my question is for the Minister responsible for tourism. The Minister has decided not to renew or, rather, abandon the Economic Regional Development Agreements for tourism in particular, and especially for the eastern provinces.

Every provincial Ministry of Tourism in the country has clearly indicated that the Government has no real understanding of the tourism industry, no plans, and now diminishing means to assist in a marketing strategy for the provinces.

Can the Minister explain how his Ministry is so totally at odds with every other tourist Ministry in the country?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, unlike the premise in the Hon. Member's question, the Government in fact is coming to terms with modern realities.

We had in the past ERDA arrangements which funded up $246 million with the provinces. They have produced a great deal of product and they have on the whole contributed largely to the regional development of those economies.

However, there were problems with the agreements. They were cumbersome. Decision making was sometimes difficult. Also there was not enough emphasis on marketing instead of product development.

We are going to put a new regime in place with the regional agencies. I will, in consultation with my colleagues, bring this whole program up to modern standards rather than keep it in the old world.

• (1450)

[*Translation*]

REQUEST THAT MINISTER CALL IN PROVINCIAL COUNTERPARTS

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, considering what I have heard from most tourism departments in Canada, could the Minister, before he introduces a new system, perhaps inform the House whether he intends to at least call a meeting of provincial Tourism Ministers to keep the situation from deteriorating any further?

[*English*]

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I met three weeks ago with the Ministers of Tourism of the various provinces and made it clear that the ERDA policy context was not the appropriate one for the future but that a new policy context could be put in place. They are looking forward to discussing this with me.

The new context will come to terms with our needs to advertise the product we already have and to put together a program that crosses provincial boundaries and does not just encapsulate this program within the provincial-federal context but makes it a wider program and a more dynamic program.

* * *

[*Translation*]

CULTURE

OPPOSITION TO TAX ON BOOKS

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, my question is directed to the Minister of Communications. The sales tax will apply to books and magazines. Every country in the world and every province in Canada maintains a policy of not taxing books.

Why is the Minister of Culture going to impose a tax on reading?

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, first of all, the Minister responsible for culture has no business imposing taxes at all. Second, in the weeks and months to come, Canadians will have every opportunity to discuss this issue and I am sure the Government will be listening to Canadians.

[*English*]

Mr. Waddell: Mr. Speaker, the Minister could at least stand up against that tax.

GOVERNMENT RESPONSE

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I want to direct my supplementary question to the Prime Minister. I know that he is here today, perhaps only for decoration.

Some Hon. Members: Oh, oh!

Some Hon. Members: Why are you here?

Mr. Mayer: You're not here for decoration or any other reason.

Mr. Speaker: The Hon. Member will put his question.

Mr. Waddell: Mr. Speaker, the Prime Minister has boasted about his program to combat adult illiteracy. He has boasted about helping Canadian publishing companies. He has boasted about making Canada a more civil and tolerant society.

Then why is his Government, unlike any other Government in the western world, putting a tax on reading material? Is this not totally inconsistent?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member is right—I had not planned to be here but when I heard he was running for Leader I came down immediately. I want to wish him well, and I say that on behalf of a unified, generous and tolerant caucus.

Some Hon. Members: Hear, hear!

Mr. Mulroney: The points raised by my hon. friend are very valid. I think he will recognize that we have all contributed to building that kind of a country.

He raises a series of concerns with regard to the artistic community. These will be looked at very carefully. A technical paper will be released, all of the concerns will be analysed, and the Minister of Finance will bring in definitive recommendations.

I thank my hon. friend for the question; it is one of the most cogent of all from the leadership candidates around here.

* * *

SPORTS

MINISTER'S APPEARANCE BEFORE DUBIN INQUIRY

Mr. Stan Keyes (Hamilton West): Mr. Speaker, as all of us in this Chamber are quite aware, the eyes of the world are focused right now on the Dubin inquiry.

My question is for the Minister of Fitness and Amateur Sport. Is the Minister prepared to testify before the Dubin inquiry? If he is prepared to do that, is he prepared to call Mr. Justice Charles Dubin and inform him of his desire to do so?

Mr. Dick: Typical Liberal, phone the Judge.

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): Mr. Speaker, my hon. colleague is absolutely right that the eyes of the world are on Canada and the Dubin inquiry.

I can tell him quite frankly that Mr. Justice Dubin has all the powers necessary to call witnesses if he feels it is necessary. We gave him those powers. If he asks me to testify before the Dubin inquiry, I will be happy to do so, as will the previous Minister.

The Member should be warned about calling judges. He may want to consult one of his ex-colleagues about that.

Mr. Keyes: The Minister may find some humour in all this, but I fail to find any humour in this situation.

APPEARANCE OF MINISTER OF NATIONAL REVENUE BEFORE DUBIN INQUIRY

Mr. Stan Keyes (Hamilton West): Mr. Speaker, the Minister did not answer the question which was whether he expressed the desire to appear before the Dubin inquiry. He says "if he wants to call me, I'll go ahead". We are sinking to a new low here, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Keyes: Where is the Minister's sense of responsibility? It is incumbent upon the Minister to tell the inquiry what he knew about the use of illegal performance enhancing drugs in Canadian amateur sport.

My supplementary question was going to be directed to the Minister of National Revenue, but in his absence maybe the Minister of Fitness and Amateur Sport can do me a favour and pass on my question to that Minister.

Is that Minister prepared to testify before the inquiry and, if so, would he be willing to inform the Justice of his desire to do that?

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): Mr. Speaker, if there is anything that has been quite clear since the beginning of these incidents, it is that the Ministers of the Canadian Government have been up front and frank. All the information we have has always been given, whether or not we were asked to testify. That has never been an issue for us. We put out all the information we had in all circumstances. That has always been very clear.

On the issue of sinking to new lows, I think my hon. colleague has just won a few prizes himself. He has certainly won a bronze medal in the area of sinking to a new low in criticizing and partisanship.

* * *

EXTERNAL AFFAIRS

POLICY ON SPORTS CONTACTS WITH SOUTH AFRICA

Mr. John Brewin (Victoria): Mr. Speaker, my question is directed to the Secretary of State for External Affairs and is a follow-up to a question I asked on Tuesday of the Minister of State for Fitness and Amateur Sport.

Yesterday, despite the clear admonition of the Minister of State for Fitness and Amateur Sport, it became very clear that U.S. golfer Curtis Strange and others who are here to compete in the Canadian Open are completely unrepentant about travelling to South Africa to prop up the regime there. Mr. Strange says that he does not care about the politics of apartheid.

Will the Minister make it absolutely clear to Curtis Strange and these other golfers that regardless of what they think the people of Canada care about ending the system of apartheid? Will Canada enforce the UN register, and will the Minister take this opportunity to outline the long awaited policy on sports contacts with South Africa?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I appreciate the question put by the Hon. Member. It is a matter of concern to us.

I will certainly use this opportunity to make clear the views of the Government of Canada with respect to apartheid to any professional athletes. There is a distinction between making our views clear and having a means by which we can affect their behaviour in Canada.

We are near the end of a process of working out a detailed policy I hope to be able to announce next week, which will involve co-operation with professional athletic organizations in Canada and the sponsors of some of these sporting events, to ensure that we are able to give the maximum effect possible to Canada's opposition to apartheid.

MINISTER'S POSITION

Mr. John Brewin (Victoria): Mr. Speaker, last year the Minister, along with the Minister of State for Fitness and Amateur Sport, made a very clear commitment to the international community that loopholes which allow South African citizens travelling on foreign passports to come to Canada to compete would be plugged.

Will the Minister not complete the promise made then and actually provide some substance rather than just good wishes?

• (1500)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we intend to do that. As I indicated a moment ago in the House, we expect to have a detailed policy which I will be able to announce some time next week. I am not sure it is within our power to deal with all of the loopholes which might exist. Certainly, every loophole which we can close we shall close.

* * *

TRANSPORT

PROSECUTION OF ROUTE CANADA

Mr. George S. Rideout (Moncton): Mr. Speaker, my question is directed to the Minister of Justice and concerns Route Canada which is the former trucking arm of Canadian National and formerly employed 3,500 people.

It is a known fact that in the case of Route Canada the officers of the company allocated union dues, income tax deductions and pension funds, utilizing them to keep the company going rather than keeping them in trust or paying the Government.

Would the Minister explain why the Crown would prosecute and fine a bankrupt company rather than going after the officers and directors of that corporation?

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, this question was discussed at length in the House last year. I believe the Hon. Member is aware of the fact that an investigation or an inquiry is being conducted pursuant to an order arising from the Bankruptcy Act, and I have always said, as I told the Transport Committee this morning, that it was better to wait for the findings before intervening in any way at all, bearing in mind that this company was sold in the normal way by Canadian National to Route Canada.

[*English*]

PLIGHT OF ROUTE CANADA WORKERS—REFERENCE TO COMMITTEE REQUESTED

Mr. George S. Rideout (Moncton): Mr. Speaker, my concern is with the workers. My supplementary question is directed to the Minister of Labour. Given the plight of the Route Canada workers and their loss of pensions and loss of benefits, would he be prepared to refer this matter of the plight of the workers to one of our standing committees of either Justice, Transport or Labour, Employment and Immigration?

[*Translation*]

Hon. Jean Corbeil (Minister of Labour): Mr. Speaker, I would like to point out to the Hon. Member for Moncton that the Department of Labour has been very active in this case to protect the rights of workers, and after a number of presentations, we managed to get severance pay and annual leave for these workers, which represents an amount of over $2 million, and we are still monitoring this case very closely to ensure that the rights of workers are respected to the extent that the financial resources are available.

[*English*]

FISHERIES AND OCEANS

VESSEL REPLACEMENT REGULATIONS

Mr. Peter L. McCreath (South Shore): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. As the Minister knows, the new vessel replacement regulations for Atlantic groundfish vessels have created concerns and confusion among many fishermen and boat builders in Nova Scotia.

In light of the Minister's meeting yesterday with representatives of the Inshore Fisheries Concerned Citizens Alliance, can the Minister clearly state how the policy affects fishermen wishing to replace their vessels, and whether in fact fishermen are required to replace their vessels with ones of a smaller size?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I want to thank my hon. colleague for South Shore for the dedication he has given to the fishermen and boat builders of his area, not only in this respect but in many related matters.

As a consequence of some two years of discussion with the industry and Atlantic provinces, we have decided to essentially put the lid on the overbuilding of the inshore vessels of his area. I can undertake, and I did so with the members of the Alliance group which the Member brought to see me last evening, that vessels which presently exist will be replaced on a cubic metre for cubic metre basis, or a volume for volume basis, provided the owners of those vessels can prove that those vessels were of a particular size, dimension and volume. We therefore ask the fishermen to co-operate in this respect.

Mr. Speaker: The Hon. Member for Papineau on a question of privilege.

* * *

[*Translation*]

PRIVILEGE

MR. OUELLET—WORDS OF THE HON. CHARLES JAMES MAYER

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, during oral Question Period, the Minister of Western Economic Diversification and Minister of State (Grains and Oil Seeds) (Mr. Mayer) accused me of having called a judge before, and I am sure the Hon. Minister is anxious to correct this unfounded accusation,

because if he checks his facts, he will realize that I was convicted of contempt of court but certainly not for having called a judge to try and influence his court decisions.

An Hon. Member: Even if you were right all along!

Mr. Ouellet: I would appreciate it if the Minister would remove the erroneous impression he gave of past events.

[*English*]

Mr. Mayer: Mr. Speaker, I would not want to leave the wrong impression on the Hon. Member for correcting what up until now has been my impression of a former sequence of events. I thank him very much for correcting me and I apologize if I have left any wrong impressions.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Gauthier: Mr. Speaker, I just want to ask the Government to share with us the coming program of legislative measures it intends to put to the House. Before the Prime Minister leaves, I wonder if he could just take under consideration the request we made last week, that given that we are going to be celebrating the 200th anniversary of the French Revolution, the Bicentenary of France, and we did pass a resolution last week congratulating the Americans on their bicentenary, could we have a House order that we do the same thing for the French?

Mr. Lewis: Mr. Speaker, my hon. friend made a very useful suggestion earlier this week at the time that we passed the motion to celebrate the bicentenary of the House of Representatives in the United States. We are indeed looking into my hon. friend's suggestion *vis-à-vis* the French Revolution. We will be getting back to the House soon. I wanted to reply directly to that request, Mr. Speaker.

I would point out *vis-à-vis* the work of the House that we have indeed made excellent progress this week with the Bills on the Order Paper. That progress is due to the co-operation of the Opposition Parties and indeed all Members of the House.

Speaker's Ruling

I would refer the House to the projected order of business, items which we hope to complete by the time the House rises. We would anticipate dealing with those in the order in which they are shown. There may from time to time be adjustments to that order of business and, indeed, additions or deletions which will be worked out with the Opposition Parties.

* * *

POINT OF ORDER

SPEAKER'S RULING

Mr. Speaker: This morning, as Members will recall, the Hon. member for Trinity—Spadina (Mr. Heap) raised a matter with the Chair asking for clarification as to the time allowed at the closing hour after a closure motion. Hon. Members will remember that as recorded by the Hon. Member for Trinity—Spadina at the hour, the Speaker in the chair at that time rose and apparently the Hon. Member for Trinity—Spadina was trying to send a message, or send a question as to whether or not he could continue because he would still have had 15 minutes of his 20 minutes speaking time.

As I say, I have looked at the *Hansard* record and that does not show up. However, there is an indication that indeed the Hon. Member for Trinity—Spadina did try to ask a question, at least that is what appears on the tape. It would appear that that was not heard by the Chair at that time. The Hon. Member for Trinity—Spadina is asking a narrow but important question, and that is that if something like this does happen again, does the speaker who has the floor have the right to use up the still existing part of his or her 20-minute speech.

I draw the attention of Hon. Members to the Annotated Standing Orders which have been brought out recently, on page 196 in the second paragraph, and I think that this is helpful.

> All questions necessary to dispose of the closured business will be put no later than 1.00 a.m, or as soon as possible thereafter, to allow any Member who might have been recognized before 1.00 a.m to finish speaking. No Member shall be given the floor after 1.00 a.m. to debate the question. When the Speaker interrupts at 1.00 a.m. or shortly thereafter, any bells summoning Members to a recorded division to dispose of the question or questions—

Et cetera.

So I think that clearly sets out the situation. I would draw Hon. Members to a ruling of the Speaker as recorded in 1964. Speaker Macnaughton was in the Chair and this exact point was raised. I might read this.

> Objection was raised by the honourable Member for Bow River (Mr. Woolliams) who proposed a motion "That the Right Honourable the Leader of the Opposition be now heard". We have had a vote on that motion. Therefore, I now have before me an Order of the House directing the Chair, according to my view, that the Right Honourable the Leader of the Opposition be not now heard but that the Right Honourable the Prime Minister be now heard. I must have regard to the effect and terms of citation 167, paragraph 2, of Beauchesne which is in these words: "If a Member has taken the floor at 12.55 o'clock, he is entitled to speak for 20 minutes, but no Member 'shall rise to speak' after one o'clock.

I hope this helps to clarify the situation for all Hon. Members. Again, I want to thank the Hon. Member for Trinity–Spadina for the careful way in which he assisted the Speaker by putting the point of order to me this morning.

GOVERNMENT ORDERS

• (1510)

[*English*]

CANADIAN EXPLORATION AND DEVELOPMENT INCENTIVE PROGRAM ACT

MEASURE TO AMEND

Mr. McKnight (for Mr. Epp) moved that Bill C–19, an Act to amend the Canadian Exploration and Development Incentive Program Act, as reported (without amendment) from a legislative committee, be concurred in.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

Mr. McKnight moved that the Bill be read the third time and passed.

Mr. John A. MacDougall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I place before you today the third reading of Bill C–19, an amendment to the Canadian Exploration and Development Incentive Program. The purpose of this Bill is to implement the decision announced by the Minister of Finance (Mr. Wilson) in his recent Budget to terminate CEDIP incentives on April 27, 1989, except for certain activities under way or required to be undertaken pursuant to written agreements in place as of that date.

CEDIP was created in March, 1987 as a temporary financial bridge to assist the oil and gas industry in adjusting to a precipitous decline in world oil prices. Oil prices have dropped from $30 U.S. a barrel to $10 U.S. a barrel in a very short period of time. The Government of Canada was sensitive to the disruption in the cash flow and investment caused by the rapid fall of oil prices. CEDIP was brought in to assist the industry in maintaining upstream investment and employment. It provided cash incentives to maintain exploration and development activities. The program was primarily intended to help the smaller to medium–sized companies, the part of the sector that was facing the most difficulties.

Current projections are that the program would provide $1.25 billion in assistance to the industry. The program will have supported over $3.7 billion in exploration and development activity, the bulk of it in western Canada. For 1987–1988, the first year of CEDIP and the only one for which the deadline on applications has lapsed, industry will have been provided with roughly $500 million dollars in incentives.

The decision to terminate CEDIP, I would again stress, was not an easy one. We know that the oil and gas industry is upset by the lack of notice provided on this decision. But coming to grips with our deficit problems means making difficult decisions.

The termination of CEDIP will save the Government of Canada $80 million. We have instituted grandfathering provisions in order to honour activities under way or committed to underwritten agreements. This grandfathering regime will cushion the impact of program termination. Incentives will be provided on grandfathered activities through to December 31, 1989 when the program will be completely terminated. The grandfathering will help many companies. We fully realize that by asking the oil patch to contribute $80 million toward the deficit, some companies will have more difficulty than others in adjusting their investment plans to take into account the Budget decision.

I would hope that the decisions taken will be accountable for and will help the Government of Canada in its very difficult deficit position.

At this time I would like to thank the members of the legislative committee who co-operated with the Minister and myself to ensure that we could get passage of this Bill.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I take great exception to this Bill because I think it will do a great deal of harm. I take great exception to the way the Department of Energy has handled this whole question. It has continued to mislead the public by refusing to state exactly how damaging this is going to be and to admit that the smaller companies for which this program was brought forward have received very little of the benefit of this program. Although it is a program to aid small companies, the smaller companies have received less than 15 per cent of the money. In fact, 90 per cent of the applicants under this program received less than 15 per cent of the funds. This has been substantiated by the Government's own information.

In a news release dated June 20, the Department of Energy, Mines and Resources states: "The Department of Energy, Mines and Resources Monday presented detailed information to the House of Commons Legislative Committee studying the Bill to terminate the Canadian Exploration and Development Incentive Program, Bill C-19, which revealed that 56 per cent of the money available under the program went to small and medium-sized firms and applicants. CEDIP will provide $1.5 million", and so on. Then the release goes on to say that only 44 per cent will be paid to large companies.

More than 85 per cent of the funds under this program will be paid to large companies. Yet small companies are being used as a scapegoat for the cancellation of this program. If this Government reduced the ceiling from $10 million to $1 million under this program, 90 per cent of the applicants could have their applications honoured and the Government would save 65 per cent of the funds. On the one hand, the Government is saying that it will save $80 million. On the other hand, the Government is saying this program will cost $1.2 billion. Yet the Government is only saving $80 million for the rest of the term, which would be from April 27 to the end of December this year. This would be 33 per cent of the length of the program if the program were allowed to run its complete course. Why is the Government only saving $80 million if two-thirds of the program is going to cost $1.2 billion? There has to be a very big discrepancy.

The Department is also saying that to date it has spent $663.6 million, which is half of what it proposed the program will cost. I know a lot of companies will have to file later than this particular date, but certainly half of the $1.2 billion being estimated will not be requested after the actual program is cancelled. The Government is exaggerating the cost of this program. Once again it is putting the blame on the backs of the small oil companies for something that is not their fault and it is not a program under which they will benefit to anywhere near the extent the Government is predicting.

That being the case, what is going to be the situation? We heard from some very good witnesses: the Independent Petroleum Association of Canada and the Petroleum Services Association of Canada submitted briefs. We heard some very interesting remarks and statements which all indicated that activity in the western sedimentary basin is declining at an alarming rate.

• (1520)

The brief presented by the Petroleum Services Association of Canada indicates that this year, 25,000 people will be involved in the service industry in the western sedimentary basin. In the last two and a half years alone, that is down from a total of between 40,000 and 45,000 workers. In two and a half years, 20,000 jobs have been lost in the service industry in the western sedimentary basin, an alarming decline in activity.

Drillers have told us that in the second quarter of 1989, there will be only 100 rigs in use. That second quarter is almost over so there is not much guesswork involved. That is down from the second quarter of last year when there were 171 rigs in operation. However, the price of oil this year is higher than it was last year. The situation is not a reflection of oil prices, it is a reflection of the fact that major companies are merging. They are getting their reserves through mergers. They are paper shuffling, not drilling or exploring. Yet the smaller companies that want to drill and explore are not able to get the funding from the banks. Now this

program is being taken away from them without any advance notice whatsoever.

The Petroleum Services Association told us that although there will be 100 rigs operating in the second quarter, they need 200 rigs for there to be any kind of profit margin for the petroleum services industry. Only 50 per cent of the rigs required for a profitable period are in operation. That is incredible.

The petroleum services industry and the drillers are also telling us that they need between 40 per cent and 60 per cent activity on the rigs, yet these 100 rigs only represent 20 per cent of the rigs that are available for use in the western sedimentary basin.

The Government would have us believe everything is hunky dory with respect to the conventional oil and gas industry. That is not true. The Government is talking about megaprojects. It is allowing and in some cases even encouraging the mergers of these companies. Yet it is walking away from one of the best employers in Canada, the conventional oil and gas industry. It is doing this without any regard whatsoever for the people involved or the companies involved. Some of the companies involved have been in business for decades, have been handed down from one generation to another. These companies are in trouble. The companies in the drilling industry and the service industry, the small explorers and developers, are the companies that are in difficulty. Jobs are continually being lost. In the last two and half years, 20,000 jobs were lost and thousands more could be lost before the end of 1989.

What has the Government done? It brought forward a program called the Canadian Exploration and Development Incentive Program, mainly for mining companies. It provides good incentives for mining companies, but because of the retroactive provisions of the exploration definition clause under the Tax Act, the oil and gas industry will not be able to take advantage of this program. A company could drill a well, find oil, receive funds under CEDIP and then have to pay those funds back later on when another well is drilled and it is determined by the Government that the well for which they got the funds was not an exploration well. Not only would the company have to repay the money but it would have to pay interest on the money received.

The Government has levelled a large corporation tax against small companies in the oil and gas sector. I think a large corporation tax has benefits and there is a need for it, but not one imposed on small companies that are not operating. These companies have to pay the tax whether they are operating or not, whether or not they are making a profit. As long as they have assets of over $10,000, they have to pay a tax. This is an asset tax which the small producers have said is much more despicable than the PGRT ever was.

Let us return to the program at hand, the Canadian Exploration and Development Incentive Program. When the Minister of Energy, Mines and Resources (Mr. Epp) was in Calgary on April 5, he said that this program would extend to the end of the year. On April 17 in the House of Commons he said that date would not change. Yet on April 26, the Minister of Finance (Mr. Wilson) cancelled this program immediately without any notice whatsoever, even though the Act itself contains a stipulation that any change in the rate of pay would require six months' notice. Not only was the rate of pay changed from 25 per cent to zero per cent, but the whole program was cancelled. However, no notice was given.

The small producers, drillers and those in the service industry had been planning on using this program until the end of the year. This is immoral. Just because the law allows the Government to do this, there is no way it is justified in cancelling a program without any notice when the Act says it has to give six months' notice. This is the treatment that is being given to the oil and gas sector. This is the treatment that is being given to the western sedimentary basin and to the western part of Canada when thousands of jobs are being lost.

We are losing six months of the program and I think that has to be rectified. For that reason, I would like to propose a motion. With respect to the motion for third reading of this Bill, I move, seconded by the Hon. Member for Ottawa—Vanier (Mr. Gauthier):

> That all the words in the motion after the word "that" be deleted, and the following substituted therefor:
>
> "Bill C-19, an Act to amend the Canadian Exploration and Development Incentive Program Act, be not now read a third time but that it be read a third time this day six months hence".

The Acting Speaker (Mr. Paproski): The Chair finds the motion acceptable.

Mr. Ross Harvey (Edmonton East): Mr. Speaker, speaking on the amendment, I would like to say that in the interests of Alberta in particular and western Canada in general, the New Democratic caucus wholly supports the amendment. Obviously, the effect of this amendment would be to keep the program operating for close to the full term of the original CEDIP, and I say again in the interests of Alberta in particular and western Canada in general, the New Democratic caucus fully supports this amendment.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on the amendment standing in the name of the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan). Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the amendment will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed to the amendment will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 76(9), the recorded division on the amendment will be deferred until Monday.

* * *

• (1530)

CANADA–LUXEMBOURG INCOME TAX CONVENTION ACT, 1989

MEASURE TO ENACT

Hon. Gilles Loiselle (Minister of State (Finance)) moved that Bill S–2, an Act to implement conventions between Canada and the Grand Duchy of Luxembourg and Canada and the Polish People's Republic and an agreement between Canada and Papua New Guinea for the avoidance of double taxation with respect to income tax, be read the second time and referred to a legislative committee.

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, in the absence of any government Member commenting on this Bill, I would suggest that the Bill is one that we would want to support. It should follow the established procedures and go to a legislative committee where, I trust, it will receive prompt consideration and support.

The tax conventions with other nations of this nature have some aspects that are of interest to some of my colleagues. I trust that with second reading this Bill will go to a legislative committee.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have a copy of Bill S–2, an Act to implement conventions between Canada and the Grand Duchy of Luxembourg and Canada and the Polish People's Republic and an agreement between Canada and Papua New Guinea for the avoidance of double taxation with respect to income tax.

I was wondering if, before the Bill is sent to committee, some Member on the government side would not think it proper to explain to us what a Bill of some 66 pages will ask from Canadians in terms of sacrifices, or indeed what is the purpose of the Bill. I would be sure to give my consent if someone would rise and give us a few words of explanation.

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I am happy to speak briefly on the purposes of this Bill. Essentially, the Bill relates to trade relationships between Poland and Canada. These tax treaties are directly related to international trade. Therefore, they have a significant impact on Canada's domestic economic performance. We believe that they will be of substantial benefit to the Canadian business community, as well as to different Canadian individuals.

What we are dealing with here was started in 1980 in negotiations between Canada and Poland. Those discussions have gone on for some time, and there have been discussions across the country with various people whose interests may be impacted upon by this Bill. We have asked for feedback, and the feedback that we have received is very positive. That is why we have co-operation from the House on this Bill.

Mr. Jim Peterson (Willowdale): Mr. Speaker, perhaps I could point out an important distinction. Canada has trade Bills with various countries designed to remove trade barriers and facilitate them. In the case of one trade Bill that we have, it opens up Canada to everything that the Americans want to do here.

The Bill presently brought before us does not deal with trade. It is a convention or an agreement dealing with the elimination of double taxation between our two countries. This Bill follows the OECD model. It is one of a significant number of agreements that have been entered into by Canada with other countries since the 1970s in an attempt to ensure that when business is done, double taxation does not apply.

It sets out in very clear rules which jurisdiction is entitled to tax the income arising from particular transactions.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I agree with the previous speaker that the Bill is intended to implement tax conventions between Canada, Luxembourg, Poland, and Papua New Guinea. As the previous speaker stated, it is a standard Bill of which there have been others like it. In our opinion, it will benefit those taxpayers who are perhaps operating a business in more than one jurisdiction.

We must do everything we can to ensure that there is not double taxation for our citizens, and therefore we support this Bill.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

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

* * *

INDUSTRY, SCIENCE AND TECHNOLOGY

MEASURE TO ENACT

Hon. Benoît Bouchard (for the Prime Minister) moved that Bill C–3, an Act to establish the Department of Industry, Science and Technology, to repeal the Department of Regional Industrial Expansion Act and to make consequential amendments to other Acts, be read the third time and passed.

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I do not feel that there is any need for me to go into great detail about Bill C–3. We have looked at it on more than one occasion in the House. A fair amount of time was spent on it the other night at report stage.

It is an important Bill that will have a significant impact on research, science, technology, and those areas that are very important to Canadians.

I do not want to delay the Bill in any manner. I want to give an opportunity to opposition Members to make a few comments, and the Bill can proceed tothird reading.

Mr. Jim Peterson (Willowdale): Mr. Speaker, Canada is facing very difficult times ahead in terms of our productivity and in terms of our ability to compete in the world markets.

All of the indicators by reputable national organizations point out that although our productivity is increasing somewhat, it is increasing at a much slower rate than that of other countries in the world. For example, the Organization for Economic Co–operation and Development, in surveying its 22 member countries, has pointed out that those OECD countries have an average productivity increase of 1.6 per cent a year. Canada's productivity increase over the last four years has been at the rate of 0.9 per cent per year.

What does it mean if our productivity is declining compared to that of other countries? It means that our ability to sell goods in world markets will decline. It means that the goods that we produce in Canada will be less competitive; that we are going to be able to sell fewer of them. Ultimately this means two things for Canadians. First, we will have fewer high paying jobs here in Canada.

• (1540)

Second, it means that Canadians will have a declining standard of living. In terms of the economic programs of the Government, there can be no Bill that is more important than Bill C–3, a Bill to establish the Department of Industry, Science and Technology. I say that

because it will be charged with the task, among others, of making Canada strong economically.

There are many aspects to creating a strong economic environment here in Canada that we on this side of the House have put forward for consideration. The first of these concerns human resources. If the Canadian worker is not among the most competitive in the world, then our economy cannot be strong.

What are the problems we face? First, fully five million Canadians are functionally illiterate. We have seen coming from the Government no programs to deal with this functional illiteracy. If people cannot read then how will they be able to learn new jobs? How will they be able to read manuals in order that they can see how machines will function and how computers will work? How can they educate themselves in a world that is rapidly changing in terms of the way we produce goods?

Even more disturbing, we have seen among those who are literate in Canada for every year over the past four that there has been a declining number of students who have gone into the sciences and engineering. We have few engineers and scientists compared to our major competitors in the world such as Japan. We have far more lawyers than we do engineers and scientists. That may be a statement about our society.

What has the Government done about creating more opportunities for students to study science and engineering?

Mr. Milliken: Nothing.

Mr. Peterson: My colleague says: "Nothing". I disagree with him. The Government has done something. It has actually cut back in the funding that is available for scholarships, programs and research—all the things that are necessary to create these highly educated students who will be critical to determining whether our businesses and our industries can compete.

For example, just last year there was a major decline in the number of fellowships that were granted by NSERC, the funding council for science and engineering graduates.

We on this side of the House have been stressing something else as well in order to be competitive and to have high levels of research and development. Studies carried out in the United States show that fully 70 per cent of its growth since the Second World War has been attributed directly to innovation, new technologies, discoveries that people have made and the new products that have been brought on the market for sale around the world. This has been the result of a high level of funding for research and development.

What do we see in Canada? What is the record of this Government? In the last four years under the Tory administration the National Research Council has had its budget cut by $20 million—$20 million actual dollars, which does not take into account inflation factors. The Government has cut its share of expenditures on research and development in Canada from 37 per cent to 30 per cent. The Government has cut its funding of industrial research and development to a point where the United States Government is now at a level that is twice as high as the level here in Canada.

How are we going to compete if we do not have the latest in technologies, if we do not have the bright people coming through our universities, technical schools and community colleges, people who are skilled in new ways of doing business, in the information technologies, robotics and the new biosciences? We will not be able to compete. We will be dependent on foreign countries which are investing in those areas. We will have to buy this technology and know-how from them if we hope to keep any jobs here. We will be dependent on foreigners for our future economic growth.

The Prime Minister (Mr. Mulroney) has responded to our accusations of underfunding and a lack of commitment here. The Prime Minister and the Minister responsible for industry, science and technology have told Canadians that the Government cannot do it all. We have never asked that the Government do it all. All we have asked is that the Government do its fair share so that Canadians can have a level playing field when we have to go into international markets and when it comes to creating jobs in Canada for the future. We do not think that our young people should be handicapped because the Government is not prepared to do as much as other Governments in the world are prepared to do in terms of creating the technological base and the research and development which is critical for us.

Another issue to which we take great exception concerns the Government's inability, or its hypocrisy, in terms of dealing with another major economic issue for the future. I refer to the whole issue of sustainable development. Sustainable development has been recognized by the Brundtland Commission, by environmentalists throughout the world and by the Government in its Throne Speech, as well as in declarations by the Minister of the Environment (Mr. Bouchard). They have said that the environment will be considered in every Department. It will be on the agenda at the Cabinet table when everything is considered, including economic development.

What was their response when the Hon. Member for Ottawa South (Mr. Manley) proposed a couple of days ago to this House that part of Bill C–3 concerning the mandate of the Minister of Industry, Science and Technology include a simple mandate to ensure that the economic implications be considered, along with the environmental considerations of development? He simply wanted a recognition of what the Government has been calling for in its pious statements here in Canada and around the world as it accepts awards which must now to the donors appear hollow. Why? If they had to give those awards again to our Prime Minister, they would take them back. They were hypocritical. They would not allow the simple mention of the environment in this particular Bill.

Another area with respect to which we on this side of the House have difficulties in terms of the Government's approach to future economic development in Canada is the regions of Canada. We on this side of the House believe that Canada cannot be strong economically unless every one of its regions is strong economically. We proposed a simple amendment. As a matter of fact, I commend the Tory back–bencher who proposed it. It is a simple amendment which states that in considering economic development for Canada the interests of the regions and fair treatment be taken into consideration. It is innocuous. Give them an equitable share. Treat them fairly at the table when economic development is being considered. Why did the Government refuse to allow such a simple measure to go into a Bill? While it may not be an important consideration to the Government, what about the people in Canada who are disadvantaged, including the people in northern Ontario where the 15 per cent tax on softwood has caused seven mills to close and 2,000 people to be laid off already?

• (1550)

At the time we debated the constitutional amendments, we included a provision for fair economic treatment of our regions. The Government makes pious declarations about treating the regions fairly, but it does not even include mention of the need for regions to be supported in this particular Bill.

The Government also refused to deal with labour market adjustment in the Bill. When the Macdonald Commission recommended free trade, it set as a priority before entering into free trade the implementation of programs to provide for the massive readjustment and training that will take place because of the dislocation caused by free trade.

It has not been quite six months since free trade came into effect and we have already seen at least 25,000 Canadian workers laid off. Has there been one provision to allow for labour market adjustment? Has the Government entered into one program to help the industries where people have been laid off because manufacturing has been transferred to the United States? Absolutely not. The Government would not even allow mention of the need to have labour market adjustment programs in place to help our workers be retrained and to find the new jobs which even the Government admits they would have to find because of the adjustments that would be necessary under the Free Trade Agreement.

Another cause for concern in this legislation is the question of control over Canada's economic destiny. Will that control lie in the hands of Canadians, or will it be conceded to any foreign company that wants to buy Canadian companies?

Let us consider why ownership and control in Canada is important. First, Canada has the highest level of foreign ownership of any nation in the world. Fully 47 per cent of our jobs in manufacturing are foreign controlled, and 34 per cent of all our industries are foreign controlled. Some may say: "So what?" We know from all the studies that have been done over the years that if the real head offices are not in Canada, the top jobs are not in Canada. The decisions about which branch plants are closed are not made in Canada for the benefit of Canadians, they are made abroad for the benefit of foreign headquarters.

Second, research and development is not done in Canada if the Canadian companies are foreign controlled. Excellent studies from the past indicate that the level of research and development done in Canada by foreign controlled firms is a miniscule percentage of the research and development done in Canada by Canadian controlled firms. We have the lowest level of research and development of all industrialized countries and the Government is permitting more and more foreign control in our key sector industries. That will mean less research and development conducted here in Canada.

Canadian branch plants do not do research and development. The Minister of Industry, Science and Technology said recently that branch plants just do not do R & D.

The export market is another reason why our young people must be concerned about where they will get their jobs, be it the high paying executive positions or the jobs in R & D for which they get training at great expense to taxpayers in Canada. Will those exports be created by a branch plant in Canada which is designed to serve only the Canadian market or will they come from the head office plant that is trying to service the world market? We have the recent example of Lumonics, the third largest manufacturer of laser equipment in the world. That Canadian company was sold to the Japanese company, Sumitomo. It was not even a joint venture for marketing the technology, but a 100 per cent purchase by Sumitomo.

That proposal went to Investment Canada. Yesterday, Investment Canada officials admitted to us that they had done nothing to find Canadian capital to help increase the equity base in that particular corporation. As a matter of fact, Investment Canada is a joke. From 1982 to 1985, when the Foreign Investment Review Agency was in effect, about 3,600 take-overs of Canadian firms by foreign firms were reviewed. In that process, some 700 of those applications were either rejected or withdrawn. FIRA was doing its job of ensuring that if foreign control is coming to Canada it must be for the benefit of Canada.

Let us look at the record of Investment Canada. Since July, 1985, until today, there have been 651 applications to FIRA to take over Canadian firms. The number of applications that have been rejected because of preliminary discussion is a paltry six. Not one of those 651 applications have been turned down. Investment Canada officials admitted to us that they had discussions with a number of firms to ensure they will benefit Canada, but how many undertakings are they prepared to take from those firms? They told us with pride that the average number of undertakings per take-over application is down to about two. That is far less than what took place under FIRA.

Only six person-years out of all the employees in Investment Canada are available to enforce the undertakings. Investment Canada likely does not even need that many because it is insisting on so few undertakings when take-overs occur.

Under the Government and Investment Canada, we are open for business and up for sale entirely. The Government is pleased to see us sold out.

Why should Canadians be concerned? I have talked about the jobs, export markets around the world, research and development and head office jobs. The problem is even more insidious. The figures show that in the 10 years from 1978 to 1987, the net foreign investment in Canada was $1.2 billion. In other words, foreigners taking over Canadian firms invested over $1.2 billion. However, what did they take out? During this period they took out fully $73 billion in payments to head offices. Furthermore, the net book value of their investments in Canada increased by $55 billion. That is who is benefiting from taking over Canada. There was $73 billion going out to these companies. They brought in $1.2 billion and their net worth has increased by $55 billion. So much for what it does to help Canada over the longer term.

• (1600)

In opposing this Bill, Mr. Speaker, we want to put it to you that we have a very different concept of where Canada's economic future lies. We feel that if Canada is going to be strong, the Government has a role to work in partnership with the private sector, to give, in a co-operative effort, to business here in Canada the ability to go into the market-place internationally and compete head on. Every other multinational with which we are competing has much better support from their own public sectors. This means more R and D, more education. It means sitting down with the private sector, with our financial institutions, with labour, with management, with our universities and planning for our economic future.

It means that if we are going to tackle the problems of being competitive over the long term, we are going to have to go about it in a different way. Cutting back on transfers to education, to the provinces, cutting back and capping our R and D expenditures is not going to create for us a good economic future. The Government is wrong and I hope Canadians discover it before it is too late. We must oppose this Bill. We must oppose the way in which this Government is headed. When will this Government learn that to be competitive, they have to work at the fundamentals to make Canada strong, to make Canadian companies strong, to build the Canadian multinationals? When will they put Canada first?

Some Hon. Members: Hear, hear!

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the yeas have it.

Some Hon. Members: On division.

Motion agreed to, Bill read the third time and passed.

* * *

DEPARTMENT OF MULTICULTURALISM AND CITIZENSHIP ACT

MEASURE TO ENACT

Hon. Bill McKnight (Minister of National Defence) (for Mr. Mulroney) moved that Bill C-18, an Act to establish the Department of Multiculturalism and Citizenship and to amend certain Acts in relation thereto be now read a second time and referred to a legislative committee.

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, it is with a great deal of pride that I rise to open today's debate on Bill C-18, an Act to establish the Department of Multiculturalism and Citizenship. The central responsibility of this department is to strengthen the solidarity of the Canadian people by ensuring that all Canadians participate fully and without discrimination in defining and building Canada's future. This is a responsibility which reinforces commitments made in the Speech from the Throne to foster a caring nation, a confident society, a country proud of its unique national identity.

[*Translation*]

It is a fact that Canada today ranks among the most dynamic, the most pacifist, and the most challenging nations of the world. It is a fact that Canadians, men and women alike, give the highest priority to the need for tolerance, compassion, and fairness. Yet it is also a fact that the new department will assume its mandate at a time when Canada is facing major challenges.

[*English*]

This is a time of change and transition in our nation, a time when the evolving cultural and racial diversity of contemporary Canada presents a new image of what we are as Canadians. It is a time when we are seeking to ensure that all Canadians receive fair and equal treatment, that all Canadians have the same chance to participate and to achieve their dreams.

A society which denies any of its citizens a sense of belonging and which fails to utilize the skills, the talents and the potential of all its citizens cannot grow in greatness and stature. A black teenager taunted by racial slurs on the way to school each day is diminished bit by bit into a lesser person. A man or woman denied legal protection or a fair trial under our justice system, for whatever reason, is robbed of fundamental human rights. An adult who lacks the ability to read and write lives with daily shame and frustration. Such incidents are not mere speculation. They are happening in small and large communities across this country. When they happen, they diminish us all. They undermine the best of what we are and what we can be as Canadians.

It will be the job of the new department to take a lead role in eliminating such incidents, to create and organize a ministry that will see on a day-to-day basis that the barriers of racism, of injustice and of illiteracy are broken down. It will be the job of the new department to re-affirm the inherent worth and value of every citizen so that we are all strong and secure in our sense of what

it means to be Canadian. Too often we Canadians take the many benefits of our citizenship for granted. We need to respect and protect our rights and freedoms on a daily basis, to keep them strong. Any challenges to these basic freedoms, at home and around the world, must be recognized. Promoting the need for this kind of vigilance will be a key aspect of the citizenship mission of the new department.

[*Translation*]

Therefore the Bill before us today is not aimed solely at establishing a federal department. It is more than a simple administrative measure designed to organize and combine compatible programs with a view to strengthening the natural link between multiculturalism and citizenship. Rather it is a means through which we will invest in the Canadian people and in the future of our country. This is why I am very proud to open the debate today.

[*English*]

In the course of many stages of debate on the Canadian Multiculturalism Act, my colleagues and I on this side made it clear that the Government opposed the establishment of a separate little stand-alone Department of Multiculturalism. Rather than isolating multiculturalism, the Bill before us today has a wider, more dynamic perspective. The Government has looked carefully at the commitments of the Multiculturalism Act. It has looked at the concerns of our different cultural and racial communities and it has looked at the concerns of ordinary Canadian citizens in all parts of the country. What resulted from that process is an agenda for change and for progress that will strengthen and enhance our common citizenship, our solidarity as a people and our vitality as a nation.

• (1610)

Just two weeks ago, following a discussion with House Leaders, my colleague, the Minister of Justice and Government House Leader (Mr. Lewis), announced that a new standing committee, a Standing Committee on Multiculturalism and Citizenship, would be established in the autumn. This new committee is part of our agenda. We listened to those who have made proposals and we have taken their advice. This committee will play a key role in monitoring the application of the Multiculturalism Act and I look forward to working closely with its Members.

[*Translation*]

This Bill creates a very important department in terms of the way we Canadians look at ourselves and how we intend to prepare for the 21st century. Much as the Canadian Multiculturalism Act, this Bill concerns all Canadians and relates to the contribution and cultural wealth of a good many different legacies.

Allow me to recall that the Canadian Multiculturalism Act was unanimously endorsed last July because, as parliamentarians, citizens of this great country, parents and individuals we all want a Canadian society which is better for and fairer to ourselves and our children. In addition, since we want a society where we are all full-fledged citizens, the new department will be a determining factor in that respect.

[*English*]

At the core of the Department's mandate are two major purposes. The first is the promotion of Canadian pluralism, a pluralism which recognizes and values the full diversity of the people of Canada. The second is the promotion and encouragement of an active and informed citizenry, a citizenry that values the dignity, the freedoms and the responsibilities that we share.

We must encourage the kind of self-confident and compassionate Canadian citizen who recognizes the vast potential of our multicultural identity, the many benefits of our two official languages and the special characteristics of being Canadian. Citizenship means participating in the life of this country, respecting our fellow Canadians, playing an active role in the community and helping to safeguard our principles of justice and equality for all.

In the coming year the Department will grant citizenship to an estimated 94,000 individuals. They, too, will be part of our dynamic Canadian family and contribute to our nation-building.

[*Translation*]

Multiculturalism must now be recognized as a vital resource in the on-going creation of our society. What I mean is that we must recognize the vitality, strength and vision of all Canadians. There are many ways of being Canadian, expressing the unity derived from our common values and citizenship. We have succeeded in creating unity from unbelievable diversity.

[*English*]

Unity is what multiculturalism is all about. Our many cultural heritages and traditions lie at the heart of what we are and what we have become as an independent nation. Together they form our distinct and individual identity.

The new Department responds to the diversity of our society. For me, that means that every Canadian must have the chance to participate in our society on an equal basis with the same chance to progress through our education system, to get a job, to run for public office, to have equal access to social and health services, and receive fair treatment under our justice system. In this sense, Canadian diversity means setting a standard for the quality of life of all Canadians in all parts of this country.

[*Translation*]

Promoting the dignity and well-being of the Canadian people is promoting the well being of all peoples, in view of our common humanity and of the deep respect we share for human life. But if Canadians today and tomorrow are to efficiently work within the global community, we must start at home. Ensuring active participation by and equality of Canadians in a diverse society in the area of language and heritage is something that will not happen by itself.

[*English*]

And so the Government must work with all sectors of society to bring about change. It must encourage the contribution of the voluntary sector which plays such a vital role in the practice of our freedoms, reminding us again and again how much Canadians can help other Canadians.

Last September 15 the Prime Minister (Mr. Mulroney) announced his intention to establish the Department of Multiculturalism and Citizenship. He gave me the responsibility to develop it. It has been one of my greatest privileges to do this, to nurture this concept and help find ways in which Canadians can work together to shape the Canada of tomorrow.

Let me remind you of the Prime Minister's vision of this new tomorrow when he spoke to Canadians from Baie Comeau on election night. He said then:

> —the confederation of tomorrow, the Canada of the 1990s (is) a land of promise, a people of hope, a tolerant society, a prosperous country uniquely blessed among the nations of the earth.

[*Translation*]

As mentioned in the Throne Speech, all Federal Ministers have a duty to help prepare the emergence of that viable and dynamic Canada. The legislation now before us is the symbol of that vision and the way in which, as a nation made up of people from all over the world, we will meet the challenges of a new century.

[*English*]

This Bill is about the future of Canada. The Department that it will establish will seek the best and encourage the best of what we are as a people. It is with great pride that I begin this debate, Mr. Speaker, and I urge Members on all sides of the Chamber to join with me in support of this statute. I pledge to all Members that I will work with them, listen to them, co-operate with them in genuine partnership, and I seek the assurance of all Members to do the same.

I hope that we can move rapidly here today and get this Bill to a legislative committee before we rise for the summer. Over the course of the summer months members of a legislative committee will have the opportunity to start thinking about how they will proceed in the fall to review it and return their report as soon as we come back in the fall.

We are here as citizens of a democratic and pluralistic society. Each and every one of us in this Chamber is here because people in our communities look to us for leadership. We are here as parliamentarians who have the opportunity to assist in building a better, stronger and more confident Canada. This is a task that must be accomplished together.

[*Translation*]

Mrs. Shirley Maheu (Saint-Laurent): Mr. Speaker, as multiculturalism spokesperson with my colleague for Broadview—Greenwood (Mr. Mills), I am pleased to rise in this debate today. This debate is vital to Canada's happy and peaceful future. Indeed, the debate on Bill C-18 is more than a debate revolving around the establishment of a department of multiculturalism. Not only must we establish the administrative structure needed to implement the policies and programs to promote multiculturalism, but we must provide them

with the legal framework with which to exercise its true mandate.

Today, nearly 40 per cent of Canadians stem from ethnic origins other than French or British, while in the 40's the proportion was around 20 per cent. So it increased two-fold in a matter of 40 years only. Of those, more than 6 per cent belong to the so-called visible minorities.

• (1620)

That new multicultural reality is therefore a major asset and a tremendous challenge for Canada. A major asset because Canada as a whole can benefit from that multicultural diversity, both in terms of our economy and cultural riches.

Canada's future therefore is based on its capacity to recognize and promote that Canadian mosaic. The recognition and promotion of that basic Canadian feature implies developing mechanisms, policies and programs that will enable our Canadian society to establish healthy inter-racial relations, based on mutual respect and equal participation in this country's growth. Such is the challenge of Canadian multiculturalism.

A failure to rise to this challenge would seriously jeopardize our future. One need only imagine what our country would be like if it were only ruled by intolerance, racial tensions and discord. Canada would be faced with an extremely serious crisis.

As early as the 1960's, Mr. Speaker, Canada examined this increasingly multicultural reality. The Royal Commission on Bilinguism and Biculturalism, also known as the Laurendeau-Dunton Commission, dealt with this issue in Book lV of its report entitled *The Cultural Contribution of the Other Ethnic Groups*.

On page 7 of the this book, one can read the following statement dealing with the Canadian society, and I quote:

> But Canadian society, open and modern, should be able to integrate hetorogeneous elements into an harmonious system, to achieve "unity in diversity".

Multiculturalism

On page 9, dealing with the diversity of cultural groups:

> To deny their existence would be to shut one's eyes to the Canadian reality.

Because the Liberal Party of Canada of which I am a Member has always recognized this multi-ethnic component of Canada, Mr. Speaker, we had adopted in the early 1970's a policy on multiculturalism in Canada which gave rise to the many legislation aimed at recognizing and enhancing this mutlicultural aspect of Canada.

Since then, the Liberal Party has always supported in a non partisan fashion the legislation put forward by your Government which it felt was valid in the area of multiculturalism.

To remain true to our sincere commitment to the ethnic communities in Canada, we therefore support the Government's Bill to create a Department of Multiculturalism, although I intend in committee to move amendments which might possibly improve it.

[*English*]

The Bill, as proposed by the Secretary of State, has certain basic flaws which I hope will be amended in committee. The establishment of such an important ministry must be done with the utmost care so as not to pass a Bill that is poorly drafted.

My first concern is the fact that the Bill does not have a definition section. Simply put, it does not define who the Minister responsible for the Department is. The Secretary of State may think this is obvious, but unfortunately, the implementation of multicultural policy is also in the hands of the Minister of Employment and Immigration (Mrs. McDougall), through the Employment Equity Act, as well as the Minister of Communications (Mr. Masse), through the implementation of multicultural policy in broadcast and print media.

A second technical modification is the definition of the word "department' so as to clarify the confusing situation which would arise whenever the full name of the Department of Multiculturalism and Citizenship is not used in the Bill.

These are two simple, minor technical modifications I would like to see added to the Bill. However, Bill C-18 has one major flaw. It is disturbing to see that in the specific duties assigned to the Minister of Multicultural-

ism and Citizenship, the word "multiculturalism" is mentioned but once in a list of duties relating to citizenship as well, while citizenship on its own is mentioned in three specific subsections.

I feel that a greater degree of attention should be paid to the multicultural section of this Bill than is accorded to it in its present format. I feel that an amendment of the legislation is needed to ensure that future Ministers of Multiculturalism and Citizenship actively cover both areas of their mandate.

The need for a Department of Multiculturalism has been there for many, many years. The fact that nearly 40 per cent of Canadians are of neither British nor French heritage accentuates the need for such a department. In fact, this policy was started under former Prime Minister Trudeau who recognized the ever-changing Canadian mosaic. No longer is Canada an exclusive haven for Europeans and Americans. It has become home to peoples of diverse cultures from all over the world representing hundreds of linguistic and ethnic groups.

The variety of people coming to our shores in ever increasing numbers makes Canada's multicultural policy a living rather than a static entity. We all hope for the day when racial, linguistic and ethnic relations will be at such a state where no official body is needed to facilitate these ends. At such a time, a universal cultural ministry would be a more appropriate mechanism to facilitate Canada's diverse cultural heritage.

Unfortunately, such a state does not exist in Canada today. For that matter, it still does not exist in areas of government jurisdiction. If we look at certain departments, we see that the percentage of visible minorities represented is far below the percentage in the general population.

The CBC, Canada's main cultural vehicle, only has 332 visible minority employees representing only 2.5 per cent of the corporation's total workforce. This is utterly unacceptable when the percentage of visible minorities in the Canadian population is closer to 8 per cent.

How does the Minister expect a greater degree of understanding to be portrayed through the broadcast media if the CBC does not have the staff who can best represent our multicultural heritage? Mr. Anthony Manera, senior vice-president of the CBC, stated that he was not satisfied with this pitifully poor representation of Canadian visible minorities in his corporation. Do you know what else he said, Mr. Speaker? He said that the CBC has been downsizing and will continue to downsize and therefore its ability to change the complexion of the CBC will be extremely limited.

It is nice to make fancy speeches and establish departments but that is simply not enough. The Minister must recognize that without greater representation of our minorities on television, and specifically the CBC, a more tolerant public attitude toward various groups will be long in coming.

If the state of things on Canada's national network are so far from the desired targets of both the Employment Equity and Multiculturalism Acts, one can only imagine the status of affairs in the private sector. It has been clear in recent months that ethnic violence and racism has been on the rise, particularly in urban areas. We have been seeing more and more ethnic youth violence in Montreal, as well as the rise of the skinhead movement which attempts a sick mimicry of early day Nazism. The League for Human Rights of B'nai Brith Canada released a major study relating to racism against the Jewish community in Canada. The number of anti-Semitic incidents during 1988 increased by over 100 per cent over 1987 and represented the highest level since 1984.

• (1630)

According to this organization the main factors contributing to the rise was the negative images portrayed by the media concerning the intifadah and the the trial of Ernst Zundel here in Canada and the Demjanjuk war crimes trial in Israel.

The number of incidents of vandalism against the Jewish community tripled in the past year and this included attacks against synagogues and cemeteries. The most disturbing incident occurred in Calgary where two alleged members of the KKK were apprehended before they were able to plant a bomb at a Jewish high school. Mr. Dimant, Vice President of the B'nai Brith said, and I quote:

> This study makes us painfully aware that we are still a vulnerable community and that multiculturalism, acceptance and tolerance are still far from reality in Canada.

I am sure that the Secretary of State (Mr. Weiner) is particularly concerned with these issues and I am sure he recognizes that we must confront this kind of hatred

straight on or we will be left with this plague for years to come.

[*Translation*]

Mr. Speaker, racial tensions within other communities are also on the rise. During the hearings of the Sub-committee on Multiculturalism, the Hon. Member for Vancouver East (Ms. Mitchell) emphasized that racial tensions between the white and Asian communities had increased in Vancouver.

In other words, Mr. Speaker, we have a lot of work to do. The creation of a single Department of Multiculturalism will promote better understanding and result in the elimination of racism and bigotry. Because of the evolution of the multicultural reality, the establishment of an independant and influencal department has become a necessity. We, as Liberals, feel therefore that this department should serve to promote our multicultural heritage.

As I said earlier, Mr. Speaker, this new department could influence the attitude of Canadians by adequately funding the various groups on the basis of their services to their communities. Unfortunately, judging from the this year's estimates, it seems that there will he cuts in these organizations' grants.

[*English*]

While over-all the budget for multiculturalism has gone up, the funds for community support and participation have decreased by $400,000 this year. This represents a full 15 per cent cut in the funding for such groups as the Canadian Ethnocultural Council and various others which act as co-ordinating and community liaison organizations which help various communities to communicate among each other and with the various levels of government.

It seems that this Government is moving toward a more project-oriented rather than an organizationally oriented program. This, quite frankly, raises several concerns that must be addressed. The danger that arises from a greater project oriented subsidization program is that it is a band-aid approach to solve a very complex problem. When groups are funded they are able to act in unison to co-ordinate progressive and ongoing activities that build upon each other for greater racial and ethnic harmony. This is not to say that I feel projects should not be financed. Quite the opposite is, in fact, true. However, I feel that to orientate in that direction would take away from a concentrated and co-ordinated attempt at addressing the problem.

I am also concerned about whether or not this trend to cut operational support is for one, two or three years. If this is the case the effectiveness of the Department of Multiculturalism and Citizenship to combat racism effectively in Canada will be adversely affected.

I also found that none of the groups affected by the cuts was ever consulted by either officials of the Department of Finance or those from the Secretary of State. But then again this is perfectly consistent with the way this Government has handled all aspects of the budgetary process. Hopefully the Department of Multiculturalism and Citizenship will be more responsive to the groups and organizations that represent the various cultural groups of Canada. The Department needs to co-operate closely with these organizations so that it can monitor the situation out there in the real world.

We cannot let bureaucrats here in Ottawa decide in a vacuum what the reality of Canada's multicultural dimension really is.

[*Translation*]

We all know that the Canadian fabric is the result of our population and our immigration policy. That is why we must keep a multiculturalism policy flexible in order to accommodate new arrivals and ease their transition into Canadian society; this implies making Canadian society prepared to accept them.

[*English*]

Until 1967 Canada's immigration laws were somewhat restrictive, following the closed door policies practised by our Government during the First and Second World Wars and the Depression. Between 1947 and 1967 most non-British and non-French immigrants to Canada came from war torn southern and eastern Europe. By 1984, immigrants from Asia, Africa and the Caribbean constituted 62.5 per cent of the total number of people coming to Canada.

As parliamentarians we must find a way to facilitate a greater understanding between groups that in their homelands may be traditional rivals. We must ensure that Canada does not become a new theatre for old wars. The way to achieve this is not through reduced immigration. We must have our doors open to all people who are fleeing tyranny and oppression. The way to achieve this ethnic harmony in Canada is through a direct dialogue

between all communities in order to foster and facilitate a better understanding of ourselves as Canadians.

As we proceed to the creation of this ministry, I cannot help but worry that it will be nothing more than window dressing set up as a fulfilment of an innocuous promise during the previous election which, incidentally, the Liberal Party advocated as well. If we look at the past record of this Government in the implementation of multicultural policies, it leaves much to be desired. It is nice that the Secretary of State (Mr. Weiner) is able to travel all across this country proclaiming that much work is needed. However, if he looked in his own backyard, he would see that much improvement is needed.

At Air Canada only 2.9 per cent of employees are members of visible minorities; at CN 2.7 per cent, at the NCC 1.4 per cent and, as I mentioned earlier, only 2.1 per cent make up visible minorities at CBC Radio Canada. It is obvious that the requirements of the Employment Equity and Multiculturalism Acts are a fair distance away from being implemented.

In December, the annual report to Parliament on employment equity stated that 34,970 members of visible minorities were employed under the Act.

In mid-May we were informed that the actual figure was 29,520, a full 5,550 less than what the Government claimed in December. These discrepancies occurred in the mess that this Government calls a post office. Instead of 11.6 per cent of the workforce at Canada Post being made up of visible minorities, only 4 per cent of the employees were actually members of this group. I hope we will see amendments to the Employment Equity Act that will ensure that the changing face of Canada be represented in areas of federal jurisdiction.

I hope the Secretary of State ensures through his duties in the new Department that the provisions of real equality are implemented and that a blunder of this magnitude never happens again.

Bill C-18 is going to establish the framework under which the Multiculturalism Act will be implemented. Unfortunately, the Act only confirmed the *status quo.* It put into law the goals and values which were born in the 1960s and 1970s. I hope that the Multiculturalism Act will be strengthened and improved through the introduction of meaningful amendments. It is only at this time that the Department established by this Bill will gain important status.

I would like to remind the Minister that the House is anxiously awaiting new legislation on citizenship. The provisions of the present Act are outdated and need to be changed. Hopefully the provisions of the new Citizenship Act, in concert with amendments to the Multiculturalism Act, will make the Department of Multiculturalism and Citizenship a mainline ministry that will be able to achieve the highest degree of tolerance for all Canadians.

• (1640)

I applaud the Government for the introduction of this Bill. I hope we can see the amendments I have proposed accepted or worked out in committee. In order to promote a multicultural heritage, the establishment of such a ministry is indeed a positive step. I only hope that the Minister and the Government strengthen various pieces of legislation to ensure that the real mechanisms of equality remain intact.

[*Translation*]

Mr. Speaker, I want to stress the importance of creating such a department. Twenty years ago, we did not have to consider the various armed conflicts in the world like the one in China. We must revise our immigration policy and our policy to integrate citizens of those countries. We are a people that is proud of its legendary hospitality and we must continue our efforts in that direction.

For the future, I see a multiculturalism department that is even more important than the one this Government is considering creating. That is why we support this initiative. Over time, the importance of such a department has been felt and I believe that we cannot delay establishing it.

I wish to point out, however, that we in the Liberal Party will try to improve this Bill in committee. It needs many corrections and I will be very vigilant in this regard.

In conclusion, Mr. Speaker, I want to give Canadians following this debate this message: It is also up to you to help set up this department. After all, it is not just there for new arrivals—it is also there for you. With your help

and support, we will make our society proud and prosperous, at peace with itself and with its people.

[*English*]

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I am very pleased to speak to Bill C-18. As my colleagues have said, the Bill establishes a new Department of Multiculturalism and Citizenship following on the earlier Multiculturalism Act which established objectives for multicultural policy in Canada. The Department will have a Minister and possibly a Deputy Minister, though it is not quite clear whether it will have a Deputy Minister.

Previously, these responsibilities were administered by the Department of Secretary of State. There is still not a completely clear line drawn between those respective responsibilities.

The new Department will have power over most matters relating to multiculturalism and citizenship. It will have the responsibility to enforce implementation of multicultural policy as outlined in the Multiculturalism Act within all government Departments and within government institutions. I think this is one thing that is not spelled out clearly enough in the Bill. Its specific duties as outlined are to promote national policies and programs with respect to multiculturalism and citizenship, to provide services for acquisition of citizenship, to promote the values of Canadian citizenship, to promote an understanding of human rights and to make grants in support of programs. Special programs on race relations are included.

I would like to commend the Government and the Minister because, during this time of decreased funds in many areas, the Government has increased funds to promote race relations. We feel that this is very important. I cannot say this without also condemning the cuts in funds which have occurred and have caused great hardships for ethnic, native, the disabled and youth organizations, particularly for the advocacy groups.

We will be supporting this Bill. We hope it will be improved during committee stage and third reading. We support it because it has been a part of New Democratic Party policy for some time. We feel it is quite important to carry out the objectives of the multiculturalism policy and it was strongly recommended by the Standing Committee on Multiculturalism in the last Parliament. As well it has been supported across Canada by ethnocultural groups.

I have several concerns about the ability of the new Department to carry out its mandate as stated and its objectives which are outlined more specifically in Bill C-93. The present staff members who are to be transferred from the Department of Secretary of State are not sufficient to carry out the responsibilities of this Department. Clause 5(a) states that the responsibility is to initiate, recommend, co-ordinate, implement and promote national policies and programs with respect to multiculturalism and citizenship. This is a very large responsibility and certainly more staff members are needed, as are more resources for community groups.

Extra staff members from very diverse backgrounds are needed. We need people who are sensitive, come from the grass roots and understand what the communities need. These kind of people can then influence the Department, the Minister and the Government. It is very important that staff members who are culturally sensitive to multiculturalism are hired, and it is very important that there be additional funding for community programs as well. If there is not, the new Department of Multiculturalism will simply be window-dressing. It may be political tokenism on the part of the Government unless the funds exist to carry out the job. That will be the test. I do not doubt the sincerity of the Minister, but I do question whether the Government will really put any teeth into the multiculturalism policy by providing adequate resources.

I have spoken many times about my Party's concern that funds for multicultural organizations have been cut by 15 per cent, and over three years, this will accumulate to a 50 per cent reduction in funding. These are the groups that speak for ethnic communities. They are the advocates that help us and give us advice on policy. One such group is the Canadian Ethnocultural Council, and it is very important that these groups have adequate funding in order to help us do our job and help the Minister do his job.

I was very concerned to learn that funds for the Citizenship Instruction and Language Textbooks program, referred to as CILT, have been cut by 50 per cent

and this program will be eliminated by 1990. I do not think many people know about this. It is very difficult to get information about it. I think it is an extremely serious situation which contradicts the commitment and obligation of the Government to citizenship development. This is a major abrogation of the federal Government's responsibility under our Constitution. The federal Government has an obligation to assist immigrants to integrate into Canada and to promote citizenship generally, both with immigrants and with Canadians.

We must have funds for a very wide range of language classes for those who come to Canada speaking little English or French. Many of them are homemakers, and if they do not learn English or French, they will never become a part of Canadian society. Without such programs, new immigrants will not integrate readily and there will be increasing mistrust and resentment within the communities. We have seen too much of that in recent years.

A few minutes ago, the Minister said that every Canadian must have the same opportunity to participate. I hope he is listening to me, because I say to the Minister that if he is to eliminate the CILT program for language training, he will very definitely deny immigrants equal opportunities. They will not have equal opportunities, nor will their children if they cannot learn the languages that are so essential to function well in Canada, to find good employment, to progress and to support their families and adequately educate them. That is very important. I hope we will see some action in this area.

• (1650)

In the Bill, the Minister knows very well that the Act states that it is his obligation to promote an understanding of the value of Canadian citizenship and to encourage participation in the social, cultural, political, and economic life of Canada. How can the Minister achieve this goal if there are no funds for language training under this Act? It is absolutely appalling that this essential program is being cut for the broad masses of immigrants. I am not talking about the programs related to employment. Those are also inadequate, but we want language programs in this Department. I hope that the provinces will take a very strong stand and protest to the federal Government that it is abdicating its constitutional responsibility in this regard.

When the Bill was tabled at first reading, I raised the question of the re-establishment of a separate Standing Committee on Multiculturalism. This was promised by two past Ministers responsible for multiculturalism. It was done in order to provide a mechanism within Parliament to monitor the implementation of the Multiculturalism Act, and the implementation in all government Departments, Crown corporations, and federal institutions.

As multiculturalism critic for the NDP I lobbied in committee, in the House, and individually with House Leaders to re-establish a separate committee. I am sorry to say that, in committee, Conservative members and one Liberal member disagreed. However, I am pleased to hear that the Government House Leader has now reconsidered. I would ask that the Minister of Justice and Attorney General of Canada and Leader of the Government in the House of Commons (Mr. Lewis) make an official announcement before the end of the session, in order that a separate Standing Committee on Multiculturalism and Citizenship will be established by next fall.

It is essential that the chairman and committee members of this committee, which is very closely tied in with the new Department, have a deep understanding of multiculturalism, if we are going to work together in an effective and non-partisan manner to carry out important responsibilities in the area of multiculturalism.

We, like the Canadian Ethnocultural Council, feel strongly that we still need a Commissioner of Multiculturalism. This position would be similar to the Commissioner of Official Languages. It should be a step removed from Government. Until this is accomplished, it will be very difficult to ensure that the Multiculturalism Act is being enforced.

In its usual efficient style, the Canadian Ethnocultural Council has made a number of comments about the Act that are very helpful, and hopefully we will hear from its representatives in Committee. It feels that the new Act does not specifically state that the Department will lead in implementing the Canadian Multiculturalism Act; that it is somewhat vague in its alignment with the Secretary of State which needs to be clarified because of

the confusion in the minds of the public. The Council also calls for a Commissioner of Multiculturalism. It also raises many other points, both positive and critical.

In considering this Bill to establish a multicultural Department, it is important that we refer to Section 3(1) of the Canadian Multiculturalism Act. This is the Section that outlines the multicultural policy of Canada, and it is very important. It seems irrational to me to have a Bill to establish a Department without including in that Bill why we want to establish the Department. I feel that we should go back to the statement of objectives in the original multiculturalism Bill and that there should be a reference to that in the Act.

Very quickly, I wish to refer to the 10 policies outlined under Section 3(1) of Bill C–93. It includes references to the cultural and racial diversity of Canada, to multiculturalism as a fundamental characteristic of Canada, to full participation in all aspects of Canadian society, to equal treatment and protection under the law, to multicultural content in Canadian institutions, to cross–cultural relations, appreciation of cultural diversity, and heritage language preservation that is in harmony with official language policies of Canada.

The NDP views equality rights as the primary objective of multiculturalism. Long before we talked about multiculturalism in today's terms we, and our antecedents, starting with J. S. Woodsworth have spoken out strongly against the injustices toward ethnic minorities and the infringement of human rights that regrettably are in Canada's history. We have advocated redress and redress policies in regard to some of those communities.

We continue to protest the injustices in our present immigration policies. I know my colleague, the Hon. Member for Spadina (Mr. Heap) will be elaborating on that. We continue to deplore and ask for action to remove systemic discrimination in employment against visible minority people. It is upsetting to think that this is discrimination within our own Public Service and within fields of federal jurisdiction, as well as private employers. This we have to change.

We also feel very strongly about the growing incidence of racism in Canada. I raised this in committee in relation to some racism in the media, and have asked that this be a priority. It has to be considered a priority both by this Department and by the Standing Committee.

On June 2, in my private Member's motion on the subject of recognizing multiculturalism as a fundamental character of the Canadian nation in the preamble to the Constitution, I raised a number of constitutional concerns. There is a growing awareness and a growing anxiety in many ethnic groups. In my area of Canada, in Vancouver, it comes from the Chinese community. They feel that the notwithstanding clause does not allow protection of their rights and that there must be major changes to ensure that their rights are protected under the Charter.

On June 2, my speech outlined our Party's concerns that there be greater protection of minority rights under our Constitution, as well as recognition of multiculturalism as a fundamental characteristic of Canada. There is not time to go into those issues today. However, I know my colleagues will be speaking on some of them, and we will speak on them later as the year goes on.

I wish I had more time to elaborate on multiculturalism and citizenship in Canada. The more one moves into this area, the more deeply one feels how important and enriching it is. Multiculturalism is a fundamental characteristic of Canada, whether or not it is expressed in our Constitution. More than one–third of Canadians have come from origins that are not aboriginal, French or English. This number is rapidly increasing. Together they form the largest majority in the Canadian population. In many western communities the non–English or French descendants are actually in a majority. It is rather an interesting difference between eastern, western, and central Canada.

People from Europe, Asia, and other countries bring a rich cultural heritage, as well as contributing to Canada's economic and social development. In recent years, immigrants have come in increasing numbers from Asia, the Caribbean, the Middle East, and from the Latin American countries. Canada has become a very rich and colourful mosaic and a haven for many people—not enough—from developing countries. We must be more generous in opening the door to those people. Most of the so–called white majority in Canada who originated in Europe have welcomed this change. However, there are many who have serious concerns. They must recognize that all Canadians are Canadians and have equal rights. We want no skinheads promoting fascist ideas in Canada. Multiculturalism policies must ensure these rights and eliminate discrimination and racism against persons of

colour. The new Department of Multiculturalism must have appropriate, sensitive staff who have an ethnic background themselves which would prepare them for this job. There must be adequate funds for community organizations to achieve this goal.

• (1700)

Perhaps even more important than multiculturalism when one begins to think about Canadianism is the importance of promoting an appreciation of Canadian citizenship, an identity with Canada and with all our people as a whole that supersedes but also includes the specific ethnic heritage of individuals.

It was only in 1977 that we dropped British citizenship to become Canadians first. We brought home our Constitution to Canada in 1982. We are proud of this glorious land, and proud of being Canadians from diverse origins. However, we are still in the process of defining our identity. It is only the last generation which has overcome a certain complex that we had in relation to our southern neighbours.

[*Translation*]

For Québecers, the process was more internal. The Quiet Revolution and the nationalist movement for independence contributed to Québec's evolution. Our present policies recognize Québec as a distinct society whose culture and language must be protected.

[*English*]

The free trade debate helped Canadians to distinguish the important values we hold that are different from those of the Americans. For those of us who oppose the Conservative sell–out of Canadianism to the United States, I think our emotional commitment and our pride in Canada was renewed.

Our commitment to social programs show that we are a caring nation, not only interested in the almighty dollar. We care about people. We share and want all people to have security, whether they be a single mother on welfare, an elderly person on a pension or a person who is unemployed.

We are committed to regional development and to a mixed economy that allows for government intervention when this is appropriate. We are committed to preserving our environment and our resources for future generations, and to adequate planning, which means that there has to be an appropriate, well–planned role for governments.

We are also committed to social as well as economic development, not just to the market–place but to planning for people and helping our economy to provide adequate jobs to meet the needs of our population. Of course, we are committed to multicultural policy. I cannot say that these were commitments made by the Government. I can certainly say very strongly that these are commitments of the New Democratic Party as social democrats.

New Canadians and old Canadians must become much more conscious of the wonder and the freedom of being Canadians. I appeal again to all Canadians to experience the richness of getting to know their neighbours from whatever background they come and enjoying the inter–cultural activities that we can have in our communities and our neighbourhoods. This Government must restore funding for citizenship classes and must increase funding for language classes to strengthen Canada as well as to promote multiculturalism.

We must also have a new multiculturalism Act. I think some of the groundwork was laid in a previous Parliament. A Department of Multiculturalism will be of little use if there are no resources to implement multiculturalism and to promote Canadian citizenship.

I look forward, as do my colleagues, to presenting amendments in committee and to working with the Minister to make it the most effective Department possible to carry out the important policies of multiculturalism in Canada.

Mr. Sergio Marchi (York West): Mr. Speaker, it is a pleasure to participate in this afternoon's debate on a subject that is very dear to the hearts and souls, hopefully, of all Members of the Chamber. Let me start by congratulating our chief critic on multiculturalism, the Member of Parliament for Saint–Laurent (Mrs. Maheu), who I believe articulated the thoughts of our caucus colleagues. She articulated the principles by which the

movement officially began in 1971. Obviously and formally, the creation and building of a nation by people from all over world began much before then.

There are those among us in our country who would suggest that the creation of a separate ministry would be paramount to ghettoizing people, concepts and ideas in a dark ugly corner. I take a somewhat different view from that, as long as we know the directions in which we are going and the final concepts at which we wish to arrive for a cultural statement on Canada and its peoples.

Like every policy, every piece of legislation evolves in terms of ideas and evolves through different times and generations. For instance, we have an evolving Constitution. There is an ongoing debate on the Meech Lake Accord which tries to amend and build upon the foundations of our federal statutes. A few months ago there were amendments to the Official Languages Act which were introduced in 1969.

To a certain degree the process that we are undergoing today is simply a modification, an adaptation to the current standards, or perhaps to the evolving standards that people place on the legislation that governs ourselves and our country.

It is important to underline the condition that we as Liberals attach—at least this Liberal—to the whole question of that evolution. That is to say that as long as we can say that this an intermediate step, that this is a bridge from where we were in 1971 to perhaps a single ministry of culture, then I think we can win those hearts that we talked about a few moments ago. That is to say that the challenge for multiculturalism is to try to bridge the different definitions that we all bring and attach to that word "multiculturalism".

The policy may mean a very different set of criteria to my father as compared with the definition I attach to it. However, which definition is more relevant? Is it my father's from an earlier generation, or is it mine? As a younger Canadians are my views more relevant? I suggest to you, Mr. Speaker, that both views are relevant. Both views are dynamic in their own sense of the word. Both views ought to be respected for what they are—definitions of who we are and what kind of country we have. Therefore, the challenge for multiculturalism today is to try to reflect in our policies both those views, both those generational forces that come to meet somewhere in the forum of this great Parliament.

To have a multiculturalism which simply ignores one of those two generational forces would be inadequate. That is why I believe this step to a separate ministry should only be seen as one step in that evolution, one step to a separate or single ministry of culture, so that we would be sending out a signal that multiculturalism is for all Canadians, not only for a certain segment of society, or depending upon where one comes from, or what year one arrived in Canada. In fact, it is part of our fundamental foundation as a people and as a country.

I believe it has to be seen in the long-term for us to embrace it and for us to expect the younger generation to embrace it as well. If it will not go to that final chapter, then, yes indeed, critics would have legitimacy in saying that it is short-sighted and that it will simply ghettoize people.

We have to see this measure as a sure step rather than an attempt to take a giant leap which goes nowhere. Notwithstanding that, I think the Minister and the Government have a number of shortcomings inherent in their policies and approaches to multiculturalism that have to be addressed and cannot simply be admitted to as being addressed by a Bill or by the Act.

• (1710)

For instance, what happens to the financial support that dwindled for those community groups? Before the election these community groups were showered with gifts and promises. Why is there one agenda before the election and a different one after the election? That will only breed cynicism, that will only breed criticism of those who suggest that somehow multiculturalism is being politicized. It is not the people of Canada who are politicizing it. It is not the ethnocultural groups who are politicizing it and selling it short. It is being circumscribed by the Government in having two different agendas, one before the election and one after the election.

What happened to the Standing Committee on Multiculturalism? A few months ago, in the last Parliament, the Minister said we do not need a commissioner because there will be a full Standing Committee on Multiculturalism to review and monitor the progress of the Multiculturalism Bill. Now we do not have a full Standing Committee on Multiculturalism but a hybrid, together with four or five other subjects. If we are not going to have a full Standing Committee to review and monitor in an efficient and vigorous way, then the

Minister ought to review the whole question of the official commissioner position.

On the one hand there is an Official Languages Commissioner who reports to the House and, through the House, to Canadians. But that seems not to be good enough for multiculturalism. The Secretary of State (Mr. Weiner) is prepared and pleased to have an Official Languages Commissioner but is saying that multiculturalism is perhaps not good enough to deserve that same kind of commissioner status.

I ask him to rise and explain to Canadians why there is that double standard? If it is fine to have a Commissioner of Official Languages who does not report to a Minister or a government that will simply hide a skeleton in the closet, why should multiculturalism be different?

We have suggested and reiterate that an official commissioner is valuable because that commissioner would go through the federal civil service and report to Parliament, and through Parliament to Canadians, rather than leaving it to the Minister to tell Canadians what he wants to say and not tell Canadians what is obviously very embarrassing. The Minister is playing with a double deck by operating with an Official Languages Commissioner on the one hand while not admitting that the same concept would be valuable and reliable for the multiculturalism policy.

We have seen evidence this afternoon with respect to the treatment of the Canadian Sikh community. The Secretary of State for External Affairs (Mr. Clark) sent a letter a few months ago to the Premiers suggesting that they should not associate with certain organizations in Canada. The Secretary of State for External Affairs interjected into the refugee applications of certain Sikh applicants. The Secretary of State for External Affairs tried to block a chair of Canadian Sikh studies in Vancouver. I am suggesting that we cannot divorce ourselves from these types of issues because these issues are also embodied by that word we call multiculturalism.

It is not good enough to simply stand on a soap box at a picnic and extrapolate on the virtues and then come to Ottawa and have a very different and drastically reduced priority.

What about Meech Lake? Did the Minister talk about Meech Lake and try to explain that the opening paragraph of Meech Lake is supposed to define a country? I thought we had four fundamental variables to the equation we call Canada. One is the English, the second is the French fact, the third is the aboriginal and the fourth, if you will, is multiculture. When we put those four variables together we have the equation that defines who we are and what we are.

Why did the Government only stop on two of those variables, where it talks about the linguistic duality of English and French? What about the other two variables? The Government added them at the end of the Constitution.

People are asking, why move that to the back of the bus? If we accept the four variables as fundamental building blocks to our country, as I believe this Party does because we moved amendments to that effect but they were refused, why move them to the back of the bus?

The Government suggests that it does not matter where one sits on the bus because the entire bus is a constitutional bus. I asked the Prime Minister (Mr. Mulroney) and the Minister, if they followed that to its logical conclusion were they prepared to put the English and French linguistic duality at the end of the Constitution and put the aboriginal and multicultural clause at the beginning of the Constitution? The answer was no. I suggest with all due respect that if it is not good enough and not respectful enough to put the English and French linguistic duality at the back of the bus, which I do not want to see, why is it so right to put the other two variables at the back of the bus? That is objectionable. That raises cynicism. It raises skepticism, but not in the people of Canada or the communities or groups, but in the Government. Those are the issues.

The whole question of anti-Semitism was raised. On Canada Day in Minden, Ontario, there will be a meeting organized by the neo-Nazi Party. In Minden, Ontario, in 1989, hundreds of people who subscribe to a neo-Nazi philosophy are expected to meet. Skinheads, only white people, will attend on Canada Day. The theme is: "Let us save Canada".

The Government has said nothing about that. It is a difficult situation, and sometimes one must decide whether to give more promotion and credibility to these

people by standing up and talking about it, or addressing that very cancer which is apparent in all societies. I would like us to do the latter.

We cannot divorce ourselves from those issues. We cannot divorce ourselves from employment equity, from a government that called it an national emergency when only 300 people came to our shores some summers ago when we had invited thousands upon thousands individually? Is the Government trying to educate Canadians or excite them by that?

Mr. Speaker, we have some good things to say about this Bill, but the Minister fails to recognize that he must do better than simply give a 20-minute speech in the House or attend a cocktail party, a picnic or celebration, as important as they are, and read a prepared text. It is also time that we go beyond the 15-page speech or the 25-minute press conference, and try to address the very issues that we have addressed in the Liberal Party, the New Democratic Party, and which Members opposite have begun to address. Only then, when we attach priority to the full essence of multiculturalism in Ottawa and in Parliament, will we do justice to the feelings that we are trying to communicate to the country. Only when we stop to think what it means to people and groups will we try to embrace the very essence of what they are doing on a voluntary basis in the community, out of a belief and deep conviction.

Sometimes it hurts to see the corridors of power here in Ottawa out of whack with what is important to families, individuals and communities across the country. I draw the Minister's attention to some of those issues and advise him that we will be raising these issues in committee until such time as he takes this issue and this policy as seriously as we do.

• (1720)

Ms. Mitchell: Mr. Speaker, I noticed the Hon. Member made quite a strong point of the advantages of having a separate Standing Committee on Multiculturalism, and I know as a past critic that he was in favour of this. At least I assume he was since the committee as a whole were in favour and felt very strongly about this matter. I wondered if he was aware that when I raised this in the form of a motion at the standing committee that the present critic of multiculturalism of his Party voted against this idea, voted against bringing this matter back to the House to ask for reconsideration to establish a separate committee? In fact, the multicultural critic felt that this would be a way of ghettoizing multiculturalism. I appreciate knowing whether or not he agrees with that position, and if he does not, has he talked with his critic and tried to educate him?

Mr. Marchi: Mr. Speaker, I think the Member does no justice to herself in trying to divorce oneself from purely political partisanship in a debate that goes much further than that. We in the Liberal Party do not have to take any lessons from the New Democratic Party who preach and suggest that they have a monopoly on virtue. When we were in government, we did the appropriate things. We moved on appropriate things. We will continue to do that in Opposition and look forward to doing them in government in 1992.

Ms. Mitchell: Mr. Speaker, I have a question on another subject. In my remarks I mentioned that the Government has cut back 50 per cent on the SILT Program, which is essentially a program of language classes for adult immigrants. I wondered if he was aware of this and what the impact is in his community.

In British Columbia, for example, the elimination means that 23,000 students in British Columbia, or 83 per cent of the adult immigrants, will not have access to ESL classes, a very serious thing. Of course, in our schools in British Columbia over 50 per cent of the students now in elementary and high schools throughout the province do not have English as their primary language. They also need classes. As I said in my remarks, I think this is a real undermining of the whole principle of citizenship and certainly of developing an effective multicultural policy.

I would be interested in the Hon. Member's views and whether he had any more information in this area.

Mr. Marchi: Mr. Speaker, I realize that we have a couple more speakers who wish to put their views on the record. Therefore I will try to be very brief.

Suffice it to say that the Member from Vancouver raises a very legitimate and lamentable point in terms of English as a second language and training.

It is my view, and I have raised it in the House and I have raised it with my caucus colleagues and in the Chamber, that all Canadians would want the Govern-

ment to spend as much as it takes to train new-comers, immigrants, in both or either of the official languages. It is a shame, particularly when we talk about English or French training for our immigrants and new Canadians, that it is largely the visible minority women that are left behind in terms of the language training deficiency. A lot of times, unfortunately, it is the major bread-winner, and in some groups it happens to be the male, who has access to language training facilities. The children through the process of going to school and the dynamics of playing with their friends learn one of the two official languages. However, quite often it is the woman who is left behind, whether at home or with poor economic opportunities without any hope for vertical mobility because of language deficiencies.

It is time that we grew up in this country to realize one thing, that whether it costs *x* millions or *y* millions to provide language in either English or French, it is money well spent. We cannot put a value on what it means when people are having difficulties in communicating with one another within Canadian society. It would help everyone's sense of Canadianism if we attached the proper financial investment. We would reap benefits that far outstrip the value of the dollars that we would put at the beginning of the equation.

The Acting Speaker (Mr. Paproski): Since there are no further questions, the Hon. Member for Winnipeg North on debate.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, it is with great pleasure that I rise today to speak on Bill C-18, an Act to establish the Department of Multiculturalism and Citizenship and to amend certain Acts in relation thereto. Multiculturalism is an idea that we are still striving to fully achieve in Canada involving as it does the official recognition of the different cultures and the values of a pluralistic society that accompany them. Multiculturalism does ask to enshrine the principles that all our ethnic groups, that is, all Canadians are equal, that all of our cultures deserve respect and dignity and that cultural pluralism must receive official support.

The establishment of a Department of Multiculturalism and Citizenship is an important step in the right direction and an essential instrument of national unity. A separate Department for Multiculturalism and Citizenship is necessary to ensure that these two areas are not neglected or ignored as they would be if included in a super ministry.

I must point out however that there are problems with Bill C-18 which are a cause of concern. Perhaps some of the concerns will be addressed when the Bill reaches the legislative committee.

First, there is no provision in the Bill that states that the new department will be responsible for co-ordinating the implementation of the Canadian Multiculturalism Act. It is not enough that the Bill includes general statements about the policy of multiculturalism. It should be clearly stated that the new department will be responsible for implementing the Multiculturalism Act.

Second, there is no provision for an independent commissioner of multiculturalism and therefore the effectiveness of the department will be limited. An independent commissioner, as called for by the Standing Committee on Multiculturalism in 1987, is necessary because such a commissioner would be able to monitor the Act across the Government without—and I emphasize "without"—political interference. Not only would an independent commissioner monitor multiculturalism in all departments—Justice, Immigration and Employment, to name a few—but the commissioner would also be able to initiate and carry out investigations into the implementation of programs and delivery of services by various departments.

A commissioner would be a non-partisan watchdog who would be especially effective in protecting the values of multiculturalism and citizenship in all governmental departments in ensuring compliance with the Act.

The Minister in introducing the debate on this Bill has indicated that a Standing Parliamentary Committee will be struck this fall. I believe in his sincerity and we anticipate that at least we have that second best.

It is not merely these two very specific problems with Bill C-18 which worry me. I am concerned about this Government's approach to multiculturalism in general. On the one hand, the Conservative Government has introduced this Bill to create a Department of Multiculturalism and Citizenship. On the other hand, the Government has cut funding for operational support to the very groups that the Department is being established to represent and protect. To me, this is a contradiction in policy, or is it the Government's philosophy? This contradiction in policy demonstrates this Government's

lack of real commitment to furthering the cause of multiculturalism in Canada.

There is another disturbing example of this Government's lack of consistency in regard to ethnic issues. The Government has said that is supports an increase in immigration although it has not set a target. Yet, in Toronto on April 4, 1989, the Minister of Employment and Immigration (Mrs. McDougall) made statements which included hints of a policy change on immigration levels that have caused great concern to the Canadian Ethnocultural Council. I would like to indicate at this point that it was my pleasure to have served on the executive of this Council before my election to Parliament.

• (1730)

The Canadian Ethnocultural Council has pointed out that the Minister of Employment and Immigration said that increasing immigration levels cause tensions in the areas of multiculturalism and race relations. Is the Minister not attempting to lay the groundwork for a reduction in the levels of immigration? The Government must clarify its position now and not just before election time. We must recall that immigration has been the genesis, the origin of citizenship for new Canadians.

I would like to point out one final area of concern. The federal Government reported last December that 6 per cent of workers covered by the federal employment equity law were members of visible minorities. However, in the month of May it reported that only 5 per cent of those who work for federally-regulated employers are members of visible minorities.

There is a 6.3 per cent employment rate of visible minorities in the general workplace. It is not acceptable that the Government, which should be setting an example, is failing even to keep its employment policies in line with the private sector. It is the responsibility of government to ensure that all Canadians are equal and that laws and programs exist which effectively ensure this equality.

Multiculturalism is a fundamental characteristic of Canada. Eight million Canadians, that is close to one-third of our total population, are of non-aboriginal, non-francophone, non-anglophone origins. These 8 million Canadians are truly a contributing part of our great nation.

We must embrace and act on the concept of equality in diversity. Let us again recall that the underlying principle behind our Citizenship Act is that of equality, that those born in Canada are equal to those who chose Canada to be their country. But, while outlining the principles of cultural and racial equality and discussing the need to respect the different nationalities which make up our country is important, it is not enough. The Government must commit resources to promoting the cultural pluralism of Canada if the principle of multiculturalism is to be strengthened and made a fundamental reality and principle of our country.

I think it must be a fundamental principle because it is such a vital one. As I stated when speaking on the private Members' motion on multiculturalism debated in the House on June 2, multiculturalism is about many things. It is about tolerance and racial harmony. All Canadians should be able to pursue their individual dreams and goals with equal freedom regardless of differences in appearance, accent and traditions.

Multiculturalism is about employment equity. It is about a dynamic affirmative action program, and this program is based on the principle that merit is the basis for employment; colour, creed and physical characteristics should not be considered. Multiculturalism is about equal access to affordable housing and it is also about human rights.

Given the vast and vital nature of multiculturalism and the importance of citizenship, I am pleased that a separate new Department is being created to deal with the concerns that fall within these areas.

I hope that this new Department will strive effectively; one, to promote the dignity of Canadians of all nationalities, two, to protect the rights of all of us and, three, to ensure that we achieve social harmony through strengthening our cultural mosaic. Only then will this new Department become a genuine milestone in Canadian history. The ethnocultural community in Canada has waited and fought for so long for this new Department. We shall watch the Government. Muticulturalism is truly a living fabric of our Canadian society.

Multiculturalism

Mr. Maurizio Bevilacqua: Mr. Speaker, I would like to thank the Minister for being present here today. I am sure that by the various speeches made by the Official Opposition he has probably noticed that there are indeed longer-term goals in our society that we must be able to face. I believe that his job as Minister of Multiculturalism is indeed a very challenging one because he must cope with the ever-changing make-up of this country.

The debate we are having today is a very important one. We are not simply addressing Bill C-18, an Act to establish the Department of Multiculturalism and Citizenship, but are indeed speaking to the contemporary cultural reality that is Canada. More important, this debate will bring to the forefront some very fundamental questions related to the cultural policy direction that the country is willing to take to the 1990s and the 21st century.

During a period of our country's history when we are challenged by the definition of our cultural identity, it is very important to begin to review the role that multiculturalism plays in our society, indeed what necessitated the implementation of a Multiculturalism Act, what this Act is in fact responding to and, hence, what the purpose is of a separate Department. As a Canadian elected to the House of Commons, I firmly believe that I have the moral obligation to attempt to define what is Canadian culture, what is our Canadian identity.

In this nation we are often faced with a multitude of terms to define and express what is, in cultural terms, our Canadian society. Terms such as "bilingual", "multicultural", "diversity" and "pluralism" are but a few of the expressions that we have used in an attempt to come to grips with who we are and what we are. As far as I am concerned, I view our Canadian cultural reality in multicultural terms, however, not necessarily in total accordance with the traditional meaning of multiculturalism or its usage.

There is no question in my mind that contempory Canadian culture is indeed multicultural. The very essence of this reality can be seen in the many faces of our Canadians citizens. I stress "Canadian" because if we were to examine the terminology used in the description of various Canadians of different heritages, for example, Japanese-Canadians, Chinese-Canadians, Greek-Canadians, Italian-Canadians, French-Canadians and Portuguese-Canadians, we see that indeed the common point of reference, the focal point, is that they are Canadian. That is what brings all these people into a common fold.That is our common denominator.

In my past experiences I have noted that the multiculturalism policy was embracing all Canadians with the exception of the English, French and native components of our nation. That is indeed the national perception. I feel very strongly that if Canada's multiculturalism policy is to be a truly national policy, we must be able to safety state that it represents everyone. The present direction of the policy has resulted in a form of societal differentiation creating the community concept of English, French, natives and others; others being "multicultural".

• (1740)

Canadian culture is undoubtedly a sum of all parts. Multiculturalism is its essence.

I am very proud to be part of a Parliament whose objectives recognize and promote the understanding of multiculturalism, the cultural and racial diversity of Canadian society and acknowledges the freedom of all Members to preserve, enhance and share in their cultural heritage.

I am very proud to be part of a nation which recognizes that multiculturalism is a fundamental characteristic of Canadian heritage. How serious we are about this is questionable when we view for example, the Meech Lake Accord. Why was the multicultural characteristic of the country not in the preamble as were the English and French components?

We tend, if we look at the issue very, very closely, to become a bit cynical. In the spirit of optimism, we should perhaps look at ways to salvage the beauty of a truly multicultural society.

Multiculturalism *per se* can in fact provide and is, in fact, an invaluable resource in shaping Canada's future. A nation which promotes the full and equitable participation of individuals and communities of all origins in the continuing evolution and shaping of all aspects of Canadian society and assists them in the elimination of any barriers to such participation should be applauded. We also ensure that all individuals receive equal treatment and equal protection under the law, while respecting and valuing their diversity.

Obviously, if one is following my speech, there are terms which must be defined. I could proceed to expand on the various objectives and the positive objectives of the Multiculturalism Act but we cannot argue that the majority of the points mentioned in the Act are important statements.

The problem I have is that perhaps they are indeed just statements. When all is said and done, I think with this Act more is said than done. We must be able to look at the Act itself and the one thing which we will notice is the use of very vague language such as promote, enhance, facilitate, encourage and so on. In reality, there is really no mechanism set in place to bring to fruition these very noble and necessary progressive ideals. I am very much puzzled by how the Department is going to better address the somewhat vague Act which lacks a true sense of objective and focus.

I have many questions about this Department. For example, are we to assume that this Department is going to give so-called ethnocultural groups greater access to justice? How will they benefit? What is the ultimate goal of this Department? Is it a Department which we want today for the 1990s, or is it a Department which is part of a vision which will take us to the 21st century. Will the rights of ethnocultural Canadians be better represented?

Are they not going to receive, in essence, the same protection which they would normally receive under the Charter of Rights and Freedoms, the Criminal Code, the Citizenship Act and the Canadian Human Rights Act? Where do we see the improvement?

There is no question in my mind that the Department will have to view the Multiculturalism Act as the cornerstone of its policy implementation. Quite frankly, with an Act which lacks direction and substance, I am wondering how the policy direction and enforcement will be carried out by the Department.

It is very obvious to anyone who has read the Act that indeed it does not give any additional rights of citizenship to people, nor does it erase the barriers of discrimination or racism. It is quite evident that it has failed at that.

The Act states the obvious ideals. They are simply on paper. How do we take the myth and how do we make it become reality? That is the issue at hand.

However, if and when this Department will be set up, I firmly believe that it should not turn out to be solely a financial clearing house, or grants for folklore dances and sing a song and that sort of thing. This country has grown up. The reality is a very different one.

If I may make a recommendation to the Minister who has kindly stayed for this speech, I would like the ministry to devote the majority of its resources in sensitizing Government agencies and Departments right across the board. I think an excellent start would be the Ministry of Justice so that they know that there is a new reality out there, that Canada is no longer a bicultural country but indeed the official culture is multiculturalism. Perhaps in Immigration and Employment, where we have the issue of employment equity and affirmative action. Sensitizing Government to the new reality is crucial. However, I must state that this should have been started with or without a Multiculturalism Act or Department. It is a responsibility of the entire Government and elected officials to keep up to date with the changes which take place in our society.

A true multicultural country will only be achieved when the political, economic and social structures of this nation will reflect its cultural diversity, a diversity that should concentrate its energies not only on the retentions of one's cultural heritage and background but also in the development of a true Canadian culture whose essence is multicultural.

Citizens of this country have listened to quite a bit of rhetoric about multiculturalism. This empty rhetoric should be sincerely and seriously examined. We must be able to, and begin to differentiate between the myths and the reality of multiculturalism. If this Department were to solely depend on the Multiculturalism Act as its cornerstone, and may I add, if our human rights were to solely depend on the Multiculturalism Act as its cornerstone, then I predict that it will not succeed in aiding the definition and development of Canadian culture.

The ultimate goal if we are going to get serious about building a nation, and if we are going to get serious about developing a nation that we can call Canada and bring everyone together under the spirit of nationhood, is that we must eventually, not tomorrow, but in the future be looking at the establishment of a ministry of culture which recognizes everyone equally. In all our great policies and Government policies, I think that nation-

building should be paramount. Nation-building should be our focal point. Multiculturalism should be treated no differently.

The Acting Speaker (Mr. Paproski): Questions or comments. Debate. The Hon. Member for York South—Weston.

Mr. John Nunziata (York South—Weston): Mr. Speaker, I appreciate the opportunity to make some brief submissions with respect to the Bill before the House today, entitled "An Act to establish the Department of Multiculturalism and Citizenship and to amend certain Acts in relation thereto".

• (1750)

As you know, Mr. Speaker, last year the Parliament of Canada passed a Multiculturalism Act. That was the first Act on multiculturalism in Canada. It was a declared policy of the Government of Canada to have multiculturalism as its official policy.

I have some very serious difficulties in understanding what multiculturalism means. I would submit to you that it does not mean what it is supposed to mean in practice in Canada according to the dictionary definition of multiculturalism. Permit me the opportunity to explain.

Multiculturalism means multi, many. It should mean everybody. It should mean anglophones and francophones and those with Italian origin, Greek origin and German origin. That is what it ought to mean in the pure sense of the word. Unfortunately, since the introduction of the policy of multiculturalism in Canada, it has come to mean something different and that is what causes me considerable concern. It has come to mean that if you have origins other than French or English then you are multicultural, you are an immigrant, an ethnic. I regret that very much that as a policy of the Government of Canada there is a clear distinction between francophones and anglophones on the one hand and the multiculturals or the immigrants and sons and daughters of immigrants on the other hand.

I would not have any difficulties if we all considered ourselves part of the multicultural community but we do not. That is a reality. If you ask average Canadians what multiculturalism means, they certainly exclude French Canadians and English Canadians. I would suspect that if the Government of Canada were to do a survey or conduct a poll asking Canadians what multiculturalism means, I would suspect that the large majority of Canadians who answered such a poll would define it as being anything other than French or English.

The policy of multiculturalism in practice is divisive in my view. It has been rendered divisive. It renders a certain group of Canadians to be a different type—and I don't want to use the term second class or third class—it renders them different. It puts them on the periphery.

I was reading the Multiculturalism Act passed by Parliament last year. In the last recital, it states:

> AND WHEREAS the Government of Canada recognizes the diversity of Canadians as regards race, national or ethnic origin, colour and religion as a fundamental characteristic of Canadian society—

Where have we heard that term "fundamental characteristic of Canadian society" before? We heard it in the Meech Lake Accord. When the Prime Minister (Mr. Mulroney) and 10 First Ministers got together, they tried to define what Canada means, what it means to be a Canadian. They referred to certain fundamental characteristics and the language is here, used in the Multiculturalism Act. When they talk about fundamental characteristics in the Meech Lake Accord, they refer to French-speaking Canadians and English-speaking Canadians as if to suggest that those were the only fundamental characteristics of Canada.

My mother, an immigrant to this country, does not speak fluent French. She does not speak fluent English and by implication, therefore, she is not a fundamental characteristic of Canada. Nor are the hundreds of thousands of other Canadians who have origins other than French or English.

I argued and others argued at the time of the Meech Lake debate that if you are truly defining the essence of Canada and what Canada is, you surely must include as fundamental characteristics the immigrants who came here and chose Canada as their homeland. The First Ministers did not include the immigrants, the multiculturals, as part of the fundamental characteristic of Canada and there was another very serious and grave omission, the aboriginal people.

Why were they not included as a fundamental characteristic of Canada, Mr. Speaker? All 11 First Ministers in their haste to come together to decide on something excluded the aboriginal people and the 38 per cent of Canadians who have origins other than French or English.

I look now at the Multiculturalism Act and the words appear in the recital talking about the diversity of Canadians as regards racial, national or ethnic origin as a fundamental characteristic. If it is a fundamental characteristic, enough to put in a recital of a Bill of Parliament, why was it not enough to include it in a constitutional amendment that will be there forever and a day until further amended?

Let me give another example of the concern I have with respect to what multiculturalism has come to mean in Canada. A few years ago the Government of Canada had to address the question of Japanese-Canadian redress. The Japanese-Canadians were dealt with in an unjust fashion in the two World Wars. The Government of Canada decided that something should be done about it. We agreed. But the Government handed that responsibility over, not to the Minister of Justice, not to the Prime Minister's Office but to the Minister of State for Multiculturalism (Mr. Weiner). If that is not the ultimate insult, I do not know what is. Just because Japanese-Canadians are not considered francophones or anglophones on an issue involving them, it is"give the matter to the Minister of State for Multiculturalism". What in God's name does the trampling of the human rights of the Japanese in the Second World War have to do with multiculturalism?

The mind set here in Ottawa, in the legislatures across the country as well as in the minds of a lot of Canadians is that if you are not French or English you are multicultural. What would the reaction have been in Canada if the issue of war criminals were handed over to the Minister of State for Multiculturalism?

Mr. Milliken: It would never have happened.

Mr. Nunziata: Right. It would never have happened, my colleague says. It ought not to have happened with respect to the Japanese-Canadian redress question. That is an example of the problem with multiculturalism.

My time is almost up, Mr. Speaker, but I would like to continue my comments when the House reconvenes in consideration of this legislation.

I was born in this country. My parents are immigrants. I am not a francophone, I am not an anglophone—at least I do not consider myself a francophone or an anglophone. But what am I? A lot of people like to refer to me as an ethnic Member of Parliament or part of the multicultural community. In terms of the powers that be, one often refers to the linguistic duality. It is referred to in the Meech Lake Accord: French-speaking, English-speaking. At some point in time this Government—and I am speaking of this Parliament—has to come to realize that there is more to being a Canadian than being French or English. There is more to being a Canadian than being a francophone or an anglophone. I consider myself just as much a Canadian as any francophone or any anglophone in this House. As long as we keep talking about hyphenated Canadians, Italian-Canadians, Japanese-Canadians, francophones, anglophones, we will forever keep people on the periphery, on the outside. Rather than talk about differences, whether it is the distinct society or—

The Acting Speaker (Mr. Paproski): Before I call it six o'clock, the Hon. Member will have 10 minutes left for his speech plus a 10 minute question and comment period.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): It being six o'clock, pursuant to Order made Tuesday, June 13, 1989, this House stands adjourned, pursuant to Order made Wednesday, May 3, 1989, until Monday next at eleven o'clock a.m., pursuant to Standing Order 24(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Monday, June 26, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the Government's response to 37 petitions.

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

* * *

GOVERNOR GENERAL'S ACT

MEASURE TO AMEND

Hon. Doug Lewis (for the Deputy Prime Minister, President of the Queen's Privy Council for Canada and Minister of Agriculture) moved for leave to introduce Bill C-31, an Act to amend the Governor General's Act.

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

Some Hon. Members: Agreed.

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

[*Translation*]

ADVANCE PAYMENTS FOR CROPS ACT AND THE PRAIRIE GRAIN ADVANCE PAYMENTS ACT

MEASURE TO AMEND

Hon. Doug Lewis (for the Deputy Prime Minister, President of the Queen's Privy Council for Canada and Minister of Agriculture) moved for leave to introduce Bill C-32, an Act to amend the Advance Payments for Crops Act and the Prairie Grain Advance Payments Act.

Mr. Speaker: Is it the pleasure of the House to grant the Minister leave to introduce the Bill?

Some Hon. Members: Agreed.

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

Mr. Speaker: When will the Bill be read for the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

MEASURE TO CHANGE NAME OF CONSTITUENCY FROM WINDSOR—LAKE ST. CLAIR TO WINDSOR—ST. CLAIR

Mr. Howard McCurdy (Windsor—Lake St. Clair) moved for leave to introduce Bill C-254, an Act to change the name of the electoral district of Windsor—Lake St. Clair.

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. McCurdy: Mr. Speaker, the reason for this Bill is quite simple. The title Windsor—Lake St. Clair is by

comparison to Windsor—St. Clair more difficult to say. Perhaps more important is the fact that there are no constituents living in the lake.

Some Hon. Members: Oh, oh!

Mr. McCurdy: It is preferable, therefore, to have the title of the riding correspond to the fact that my electors are land based.

Some Hon. Members: Oh, oh!

An Hon. Member: You are always in deep water.

Mr. Speaker: Well, I am not allowed to have any views on this.

Some Hon. Members: Oh, oh!

Mr. Speaker: Although I have heard some already, it seems to me a compelling argument.

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

* * *

• (1110)

FRANCE

BICENTENARY OF REVOLUTION

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, there have been discussions among the Parties, and I think you will find that I will have permission to present, move, and complete without debate two motions.

[*Translation*]

The first motion is made on the suggestion of my friend, the Member for Ottawa—Vanier (Mr. Gauthier).

Mr. Speaker, on behalf of the Right Honourable Prime Minister, I move:

> That the Speaker of the House of Commons convey to the President of the French National Assembly and to the President of the French Senate the good wishes of the Canadian House of Commons on the occasion of the official ceremonies which will commemorate in July the bicentenary of the French Revolution and of the *Déclaration des droits de l'homme et du citoyen*.

Some Hon. Members: Hear! Hear!

[*English*]

I might suggest that that should properly be recorded as a motion moved by me on behalf of the Prime Minister of Canada and seconded by another Minister.

[*Translation*]

Mr. Speaker: Does the Leader of the Government have the unanimous consent of the House to present the motion?

Some Hon. Members: Agreed.

[*English*]

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

BUSINESS OF THE HOUSE

DISPOSITION OF PRIVATE MEMBERS' BILLS

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, if I may, I think you will find that I have the same consent and permission for the following motion. I move:

> That, notwithstanding any standing order or arrangement of business for Private Members' Hour on Tuesday, June 27, 1989, Bills C-239 (Mrs. Maheu), C-240 (Mr. Attewell), C-241 (Mr. Bird), C-245 (Mr. Hopkins), C-251 (Mr. Desjardins), C-252 (Mr. Arseneault), and C-254 (Mr. McCurdy) be called for second reading, seriatim, for up to 10 minutes of debate on each, and at the end of each such period the Speaker shall interrupt to put all questions to allow each and all of these seven Bills to advance through all stages in that hour.

Mr. Speaker: Does the Hon. Minister have the unanimous consent of the House to move the motion?

Some Hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

PETITIONS

ALLEGED MILITARIZATION OF ECONOMY

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is a pleasure to present a petition from a number of constituents of Kamloops, British Columbia.

The petitioners are very concerned about what they perceive to be the Government's support for the growing militarization of our economy. They want Canada, through Parliament, to cease all government involve-

ment in the expansion of the international market for military and policing equipment. They wish that the Government would take action to ensure that countries which violate human rights are not permitted to arrange purchases of military and policing equipment from Canada.

UNEMPLOYMENT INSURANCE ACT AMENDMENTS

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I present another petition on behalf of constituents of Kamloops, British Columbia.

The petitioners are concerned that the Government has, in a sense, severely abused the Unemployment Insurance Act by expecting training programs to be funded in large part by funds contributed through the unemployment insurance package. They are asking Parliament to move immediately to adopt the recommendations presented to it by the Standing Committee on Labour, Employment and Immigration in its first report to the thirty-third Parliament, second session, and to reject any proposal to fund these retraining programs from the unemployment insurance fund.

HYDROCARBON EXPLORATION

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I have another petition on another matter. Petitioners from Kamloops, British Columbia are concerned that the Government may in fact be supporting the exploration of minerals and hydrocarbons off our West Coast.

The petitioners are making the point at some length that this would be inappropriate and are therefore simply calling upon Parliament to stop any hydrocarbon exploration activities off the West Coast of British Columbia.

EXTRADITION LAW AMENDMENTS

Mr. Alex Kindy (Calgary Northeast): Mr. Speaker, I have the honour to present two petitions pursuant to Standing Order 36. They concern the extradition of criminals out of Canada.

The petitioners want the laws of Canada revised so that people can be extradited for crimes committed elsewhere.

PORT OF CHURCHILL

Mr. Rod Murphy (Churchill): Mr. Speaker, once again I rise to present petitions signed by Canadians who are concerned about the future of the Port of Churchill.

The Port of Churchill is crucial to the health of the economy of the prairie provinces. Already, the result of the reduced grain shipments through Churchill is beginning to show. An astounding 83 of our 185 track maintenance workers on the railway lines in northern Manitoba are being told that their jobs will be abolished in the next five months.

Petitioners from Winnipeg, Churchill, Ilford, The Pas, all in Manitoba, and from Hudson Bay in Saskatchewan call on the House of Commons to ensure that, at the very least, 3 per cent of Canada's annual grain shipments be shipped out of Churchill.

Only by stabilizing the flow of grain across the Prairies to Churchill can we stabilize the economies and the communities of our prairie provinces and maintain the jobs of the track workers there.

PENSION LAW AMENDMENTS

Mr. Ross Reid (St. John's East): Mr. Speaker, it is my honour and privilege, pursuant to Standing Order 36, to present to the House today a petition signed by nearly 6,000 teachers in the Province of Newfoundland and Labrador, members of the Newfoundland Teachers Association under the presidency of Mr. Keith Coombs.

These teachers are concerned that the anticipated changes to the Canadian laws affecting pensions will directly and significantly affect their pension plan and the pension benefits they have negotiated with the Government of Newfoundland and Labrador over a period of time, provisions that have been negotiated as part of a broader compensation package, a compensation package that reflects the realities of teachers and the realities of Newfoundland and Labrador.

Their prayer is that the Government either abandon these amendments or make the amendments suitable to accommodate the particular realities of the pension plan.

VIA RAIL SERVICES

Mr. Howard McCurdy (Windsor—Lake St. Clair): Mr. Speaker, I have the honour of submitting a petitionin

signed by several hundred of the electorate from my part of the country. These petitions have been properly certified according to Standing Order 36.

All of the signatories condemn the Government for its emasculation of VIA Rail and its intention to cancel routes across Canada. The petitioners point out that this is an unreasonable thing to do in the context of the need for a reconstructed system of transportation.

They humbly pray and call upon Parliament to maintain, improve, and modernize VIA Rail in those area of the country where it can provide a more rapid, economical, safe, convenient, environmentally sound and energy efficient alternative to other modes of transportation.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I have the honour to answer Question No. 77 today.

[*Text*]

CROWN-GRANT LOGS

Question No. 77—**Mr. Gardiner:**

1. For the past ten years, how many applications to export Crown-grant logs from the "E & N" lands have been received from (a) MacMillan-Bloedel (b) British Columbia Forest Products (c) Fletcher Challenge (d) Canfor (e) Canadian Pacific Forest Products?

2. Were such bids made by B.C. manufacturers and, if so, (a) how many (b) what was the comparison with bids made to export lumber by smaller manufacturers?

Hon. John C. Crosbie (Minister of International Trade): From 1986 federal statistics show over 400 applications were received for the export of Crown-grant logs. Specific information about companies is of a commercial and confidential nature.

Prior to issuing export permits, bids are solicited from interested log buyers by notification in the "Canada Gazette" and/or directly to potential buyers to determine whether or not shipments are surplus. The determination of whether logs are surplus is made by the Timber Export Advisory Committee (TEAC) consisting of federal and provincial authorities, and industry experts. Record of the bids is maintained by TEAC and are retained by the provincial government authorities. Federal records of permits are retained for approximately one year as permit validity is restricted to 120 days.

[*English*]

The Acting Speaker (Mr. Paproski): The question as enumerated by the Parliamentary Secretary has been answered.

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

The Acting Speaker (Mr. Paproski): Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

• (1120)

[*English*]

CUSTOMS TARIFF

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-17, an Act to amend the Customs Tariff, as reported (without amendment) from a legislative committee.

Hon. John McDermid (for Minister of State (Finance)) moved that the Bill be concurred in.

Motion agreed to.

Mr. McDermid (for Minister of State (Finance)) moved that the Bill be read the third time and passed.

Mr. Douglas Young (Gloucester): Mr. Speaker, I have a few comments on Bill C-17. When the Bill was presented earlier, we indicated our support for this legislation.

As the finance critic for the Opposition indicated in his remarks earlier, we are concerned about the question of importation of pornographic materials. Although we recognize that the extension that is provided for in this Bill will be helpful, it is to be hoped that greater certainty be established through either regulation or by legislation to provide for a more structured means by which the importation of pornography can be controlled.

We recognize that there have been efforts made in this area. It is not an easy task to deal with such a situation, but this extension will be helpful.

It is clear that those changes, although they have been welcomed by Members on both sides, point out the need for further refinement in dealing with customs tariff areas.

Although this is a beginning, the Government will need to look more closely at some of the items involved here, particularly with respect to pornography.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I rise to speak on Bill C-17, an Act to amend the Customs Tariff. This Bill does several things, largely administrative in nature, but it makes certain amendments to eliminate the tariff on certain goods which are not produced in Canada, to change to some degree some of the remission orders, and to remove duties from certain products such as time recorders, vessels for scrapping, and checking fixtures imported temporarily for manufacturing production equipment.

Duty is also reduced on low alcohol beer, and excise and duty sales taxes are raised to align the treatment of imported lower alcohol beer into line with domestic beer. It also extends the authority to restore the pre-harmonized system tariff rates. In large part, the Bill is administrative in nature. We have no objections to those sections.

One section of the Bill deals with customs tariff prohibition on pornographic, hate, treasonable, and seditious materials. On December 31, 1989 the current regulation is scheduled to expire. This Bill proposes that no longer will it be necessary for annual review of this section in Parliament. In 1985 when this section was implemented as the result of a court case, it was decided that it was important that Parliament have a chance to review this particular amendment on an annual basis.

Since that time, through the Ministry of Justice, there have been Bills presented to the House, which have not gone through owing to the election last fall, to deal with the more serious issue of the definition of pornographic and seditious material, hate literature, and so on.

The customs Department and its officers find themselves making decisions based on an ill-defined definition of materials upon which they have to make judgments. In the Salman Rushdie *The Satanic Verses* case, customs officers made a decision to withhold the importation of that book for several days based on an interpretation of this particular Act. That then led to a fairly large controversy on the ability of customs officers to make those choices on the law as it stands. Clause 25 of the Bill is not highly explanatory and states:

> Code 9956 in Schedule VII to the said Act is amended by striking out the words following paragraph (d) thereof.

Basically that means that rather than having to come back to Parliament on an annual basis to discuss this issue and to seek further extension, it will be included in the Act for an indefinite period of time.

We raised this question in 1985 when it was originally instituted, and we still have considerable problems with it. Admittedly, much of the problem rests with the Ministry of Justice having to define this and to set the policy. Customs Tariff obviously implements the policy and makes the decisions. However, the responsibility for the definition rests with the Minister of Justice (Mr. Lewis). This is a major unfinished piece of business. The Criminal Code must be examined in relation to this area.

As I stated, there continues to be a problem in this area. There was the recent case to which I referred concerning the Salman Rushdie book. We do not know what other cases may arise of a similar nature. The place that this must be addressed is within the Criminal Code by the Ministry of Justice.

However, this time it is not going forward, at least in this session of Parliament it would appear, and for that reason we will oppose the Bill based on Clause 25 specifically, because of our concern that until this issue is clarified in the Criminal Code it should come before Parliament on an annual basis for review.

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, I will be brief. Hon. Members know that the Act is a legislative response to changing circumstances. The needs of the business community for exporters and importers make necessary a number of technical changes to the Customs Tariff.

I might suggest to my friends in the New Democratic Party that an annual review by Parliament, referring to the section on the importation of hate literature, seditious materials, and pornographic materials has nothing whatever to do with the Customs Act specifically but more with the Criminal Code. In fact, that is where the review should take place as to definition and not, if I can

put it this way, to the policing of the Criminal Code which Customs has to do.

Examining this on a yearly basis is a superficial examination, as the Hon. Member knows since she was in committee. More properly, it should be addressed by the Ministry of Justice. I hope Members opposite would reconsider their opposition to this particular Bill.

Finally, I would like to thank the members of the legislative committee who dealt with this matter in a very thorough and expeditious manner. I look forward to the passage of Bill C-17.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the yeas have it.

And more than five Members having risen:

• (1130)

Mr. Murphy: Mr. Speaker, I rise on a point of order. Recognizing that the New Democratic Party has forced the vote, Your Honour will find that there is unanimous agreement among all Parties to defer that vote until 6 p.m., when there is another deferred division scheduled.

Mr. Hawkes: Mr. Speaker, what I think the Whip of the New Democratic Party is trying to do is save the House a little bit of time. If the bells were to ring, then we would defer the vote until this evening at 6 p.m. when there are other votes scheduled. However, if we can do it without the ringing of the bells, and with the concurrence of all three Parties, then on this occasion I think that that would be appropriate.

Mr. Gauthier: Mr. Speaker, I thank the chief government whip for that very specific detail. The bells have not started to ring. Therefore, we can do anything with unanimous consent. However, if the bells had started to ring I would have invoked Standing Order 45(5), which gives either the official opposition whip or the chief government whip the privilege, I could say, to approach the Chair and to ask Your Honour to defer the vote until 6 p.m.

The Acting Speaker (Mr. Paproski): Is it agreed that we shall not ring the bells and defer the vote until 6 p.m. this day?

Some Hon. Members: Agreed.

* * *

NATIONAL ENERGY BOARD ACT

MEASURE TO AMEND

Hon. Jean Charest (for Minister of Energy, Mines and Resources) moved that Bill C-23, an Act to amend the National Energy Board Act and to repeal certain enactments in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I am rather disappointed that the Government has not seen fit to have someone from its side to introduce this Bill, particularly since this is second reading.

It is a very important Bill, although the Government would have us believe differently. The Government describes Bill C-23 more or less as a Bill to do some housecleaning points with respect to the National Energy Board. I can assure you, Mr. Speaker, that it is a great deal more than just a few housekeeping points with respect to the National Energy Board.

Bill C-23 has tremendously far-reaching implications for our country. It will change dramatically the way in which we will allow exports of electricity from our producing provinces into the United States. To a large extent it will affect the regulations and the conditions under which consuming provinces will be able to receive electricity from the producing provinces.

In the past we have had certain rules and regulations, a strong presence in the National Energy Board, regarding this point. I think the system has worked quite well. With respect to the National Energy Board, we are also making some changes to the Board itself. We are getting a few significant changes with respect to the export of oil and gas from Canada into the United States and presumably other countries, if we are going to be in a position to sell oil to other countries.

I think the major issue here is electricity. The Government has altered drastically the means by which we are going to export electricity into the United States and the conditions under which we can assure our interconnecting utilities, that is, other provinces connected to the producing provinces, of at least a portion of the electricity from the producing provinces at a comparable price.

To begin I would like to talk about the situation as it was which gave the National Energy Board a very strong presence. The Board, which was first recommended by the Borden Commission in 1958, has been a marvellous organization which has served the country extremely well. Even today the National Energy Board is comprised of very competent individuals. They have done the job that has been asked of them extremely well. I think it is one of our best agencies.

First and foremost the National Energy Board has had the jurisdiction to approve or to turn down the export of oil and gas and electricity into the United States. With respect to electricity there were certain guidelines under which the Board operated.

The first was that the producing provinces had to be able to pay the cost of producing the electricity before the Board would allow it to be exported, something which makes a great deal of sense. Also, the producing province had to include in its cost of production certain indirect effects of that production. The foremost effect was environmental. If there were environmental effects as a result of the production of electricity then, of course, there would be a cost not only to the producing province, but a cost to the federal Government as well, which should be compensated for in the price of electricity. That is to say, the price should be able to allow for the reimbursement of the province and the citizens of the province the cost of producing that electricity, and the cost of bringing back the environment as much as possible to the state it was before the actual production of electricity took place.

The second point is that if it was being sold into the United States it could not be sold below the least cost alternative. That is to say the National Energy Board insisted that if we are going to sell electricity to the United States it could not be below the cost of the other form of energy which was the cheapest in the United States. For instance, if natural gas was cheaper than all other fuels in the U.S., then the price of electricity, the comparable energy value of electricity, could not be cheaper. It could not be sold more cheaply into the U.S. than the equivalent of the cost of natural gas.

Third, if electricity were to be sold into the U.S. then interconnecting utilities, in particular other provinces, had the right to make application to the National Energy Board to have at least a portion of that electricity sold at a comparable price. This was considered fair for two reasons, the first being that it would be natural to assume that we would first look after the interests of other provinces in Canada before we looked after the interests of foreign countries.

Some of the other provinces, and I think in particular of the smallest province, Prince Edward Island, was absolutely dependent upon getting its electricity from Quebec through New Brunswick, which made that province very vulnerable. With that in mind, the Board protected all the provinces to ensure that they were looked after in that regard and that the price for which the electricity would be sold to these other provinces would be the same as it would be sold in the United States, thereby not creating hardship for the producing province. Of course, there would be different cost depending upon the cost of transmission of the electricity. If it went to a province that was farther away than the American market, of course it would be more expensive to that province because of the transportation charges. That was a benefit for all of Canada and was considered to be a very strongly held principle by the former Liberal Government.

However, there were some objections which I think have to be looked at and considered. Some of the producing provinces were concerned, and I think with some justification, that if they sold to interconnecting utilities then those utilities in turn would sell that electricity into the United States at a higher price, thereby making a profit for electricity that was not theirs. All they would have done was take it from one province and sell it into the United States, thereby making a sizeable sum of money on electricity which was gener-

ated in another province. That made the generating provinces somewhat upset, which I think is understandable. It was something that was in the forefront of the Government's mind when it brought forward this legislation. While it has dealt with this, in doing so it has created many problems within the Bill itself.

• (1140)

This legislation is not suitable for the country. It is a cop out on the role of the federal Government on its responsibility to Canada. It is abandoning its role with respect to jurisdiction over the export of electricity and control of the environment to allow the provinces to do what they want.

Of course, there are provincial laws with respect to energy. Electricity, perhaps more than other forms of energy, lies within provincial jurisdiction. That has always been recognized and must continue to be recognized. The provinces have their own responsibilities and jurisdiction.

Bill C-23 is an Act to amend the National Energy Board Act, but as I said earlier, it is considerably more than that. Clause 58.19 states:

> For the purposes of sections 58.2, 58.21 and 58.22, a law of a province is in relation to lines for the transmission of electricity from a place in the province to another place in the province if the law is in relation to any of the following matters;

One consideration is:

> (c) assessments of their impact on the environment;

This is, to be solely within the jurisdiction of the province. Transmission from one part of the province to another part of the province, and concerns regarding the environment, are a provincial concern. That is not overly disturbing because the province will have to take responsibility for any decisions regarding transmission lines that are offensive environmentally within that province.

Clause 119.06 deals with licences and the export of electricity to the United States. It states:

> (2) In deciding whether to make a recommendation, the Board shall have regard to all considerations that appear to it to be relevant, including—
>
> (b) whether the exportation of the electricity would result in the contravention of or failure to comply with environmental requirements of the Government of Canada;

I will return to that clause later, but the point I want to make is that the Government has addressed the transmission of electricity from one part of the province to another part of the same province, as the responsibility of the Department of the Environment of the province, and the export of electricity to be the jurisdiction of the federal Government, but the Bill does not deal with the interprovincial sale of electricity. There is nothing in the Bill dealing with who has control over problems with the environment when electricity is sold from one province to another. This major omission has been brought to the attention of the Government but it has not dealt with it.

Rather than making a simple omission, I believe the Government has done this intentionally. Let me refer to a speech made by the former Minister of Energy, the Minister of Communications (Mr. Masse) in 1988. He said:

> It is inevitable that provincial regulations will be applied to the determination of the detailed routing for international power lines. National Energy Board regulation of the detailed route is hence unnecessary except, perhaps in the case of a line traversing more than one provinces that is not supported by all of the provinces in which it will pass.

He made that point in his speech but there is nothing in the Bill to deal with that matter. He went on to say:

> The detailed routing and land acquisition provisions of the National Energy Board Act will therefore not apply to international power lines except when: (i) the line passes through more than one province; and (ii) a sponsoring province so requests.

Even though a licence for routing power lines is extraterritorial as far as Canada is concerned, the former Minister said that the federal Government can only take into consideration the environmental questions when a line passes through more than one province and when the sponsoring province so requests. That is completely unacceptable, particularly when one considers the importance of environmental factors today and the attention being given to the environment by Canadians today.

The Minister went on to say:

The Government of Canada will now seek to develop—

That is within the legislation before us today:

—in co-operation with the provinces and the electrical industry, environmental guidelines and standards applicable to electricity generation and transmission. The goal would be a co-ordinated nation-wide effort designed to achieve a consensus on environmental norms, while providing flexibility on how these norms are to be adapted to local circumstances and on how they are to be achieved.

There is no consensus in this legislation. There is no consensus brought before us in the House today. The Minister of Energy, Mines and Resources (Mr. Epp) will tell us that the consensus exists, but to my knowledge and according to my information, no consensus has been reached between the provinces on the one hand and the federal Government on the other.

Let me turn to Clause 58.29(4). It states:

The appropriate authority may grant leave under this section after construction of the proposed work has commenced if the appropriate authority is satisfied that the work was urgently required and, prior to the commencement of construction, the appropriate authority was notified of the intention of the holder of the permit or certificate issued in respect of the line to proceed with the proposed work.

I suggest this actually encourages the start-up of construction of power lines before approval is given. The Government is acting irresponsibly in making such an insinuation.

Clause 58.39 states:

The Governor in Council may make regulations for carrying into effect the purposes and provisions of this Part, including regulations—

Let me illustrate some of the stipulations of the regulations:

(a) prescribing matters in respect of which terms and conditions of permits may be imposed:

(b) respecting the information to be furnished in connection with applications for permits:

(c) specifying considerations to which the Board shall have regard in deciding whether to recommend to the Minister that an international power line be designated by order of the Governor in Council under Section 58.15; and

(d) prescribing the form of elections filed under Section 58.23.

This brings us to a very important point regarding this legislation. Regardless of the fact that it has many clauses, it is merely shell legislation. The Government has intentionally made the Bill so innocuous, bland and ineffective that we cannot say what it will accomplish unless we have a complete list of the regulations before us.

The legislation is very indefinite and uncertain, yet we are being asked to comment on and approve it at second reading. The Bill is too sketchy. What the Government is doing of course, having intentionally made the Bill as sketchy as it possibly can, is trying to bring in after the Bill is passed the meat of the whole process of the export of electricity in regulations.

• (1150)

I would like to go to what I consider perhaps the key to this Bill. How are we going to regulate the export of electricity into the United States? This Government has come through with a novel concept. It talks about permits and licences. You can export electricity based on licences or you can export electricity based on permits.

If you read the Act, it does not give you a great deal of information other than to say that the National Energy Board can agree to the export of electricity into the United States via a permit without a Board hearing. That is, the National Energy Board will decide if it wants to allow the export of electricity from any province of Canada into the United States and give a permit for this export, but there will be no hearing involved. That means that there is no way really that we have a chance to get the full disclosure of the actual export.

Then it goes one step further and says that if the National Energy Board feels that there should be a hearing, which is the National Energy Board's right and which it has done up to the present time very effectively—albeit some applications have taken a long time to be approved, but that could be remedied with changes in procedure—but it can give a permit without a hearing. However, if the National Energy Board finds that there should be a hearing, they have to make this recommendation to the Governor in Council. The Governor in Council decides whether there should be a hearing or not.

Therefore, it really is not the National Energy Board that is controlling the export of electricity, it is the Governor in Council and the federal Government. It decides, be it for political reasons, leverage or whatever, without giving any kind of answer or explanation as to why, whether there is going to be a review or not. If there is a hearing or a review and the review is approved, then of course there is a licence issued. If the Governor in

Council says no, there is not to be a hearing, then the permit is given.

This is a complete abdication of the principles of review that have been so important in dealing with Canada's energy self-sufficiency and the export of energy into the United States. I do not doubt that the sale of electricity is very important to the provinces. I frankly do not see many reasons that exist for denying applications, but still it is a federal responsibility. It is a federal responsibility, but Canadians have the right to look at the applications and get some idea of what it is that the Government is doing by way of commerce with the United States.

The Free Trade Agreement has already ruled out the second rule of thumb. That is, that energy can only be sold into the United States at no less a price than the least cost alternative. The Government seems to be saying in this Bill that the price is purely within the realm and jurisdiction of the province and that it does not want to interfere in the provincial domain regardless of whether the domain in which the provincial government is acting is a federal domain or not. What the federal Government is saying is, if the provincial Government has made regulations, the federal Government should not interfere. It is a travesty of the rights of Canadians. It is a travesty as far as this Government's responsibility to fulfil its role in the export of energy into the United States.

Just let me give an example from that same speech that the then Minister of Energy made in September of 1988. He said:

> As I have already noted, this regulatory approach does not explicitly take account the fact that Canadian utilities are already comprehensively regulated by the provinces. The new policy does. It can be summarized very briefly.

Four of the points that he makes in his summary are:

> Approval will be by permit, except in those cases designated by the Governor-in-Council. Permits will not require a public hearing or a review by the Governor-in-Council.
>
> The Governor-in-Council may designate an export for licensing or a power line for certification if there is any reason to believe that regulation by the sponsoring province is insufficient.
>
> Designations will be made on the advice of the Board, and such advice will be made public.
>
> Proposals that have been designated by the Governor-in-Council will be reviewed by the NEB through the public-hearing process. In considering the application, the Board will have regard to all relevant matters.

The reference to all relevant matters will be the matters set down in the directive of the Governor in Council in the regulations which we do not have at the present time and dealing with the licensing of the application that really the Governor in Council will dictate, not the National Energy Board.

I want to look at another point which I think is very important. At that time, approximately September 2, 1988, we have an example of what the Government of Canada was looking at in a letter to Mr. R. Priddle, Chairman of the National Energy Board. The former Minister of Energy said:

> Where appropriate, the Governor-in-Council may designate exports and international power lines for licensing or certification procedures. Once designated, an application will be considered by the Board through a public-hearing process and any authorization will require Governor-in-Council approval.

It is very strongly stated that there is not to be a hearing unless the Governor in Council says that there is going to be a hearing. With this whole realm of abandoning the responsibility over jurisdiction of exports of energy, and particularly in this case, electricity, we cannot see this Government actually requiring a hearing in any situation.

The former Minister of Energy, the present Minister of Communications goes on to say:

> Designations will occur in instances where there is reason to believe that provincial review procedures are insufficient for determining whether a proposal is in the Canadian public interest.

What provincial review procedures? Today the provinces get a contract and they sell. Those are the review procedures, and to say that the review procedures are not sufficient really does not differ one case from another. As I have said, we are just going to have a complete abdication of responsibility by the federal Government in this regard.

Where we had the most concern, and this is something to which I alluded earlier, was whether the interconnecting utilities would be affected by the sale of electricity into the United States. There is considerable progress to be made in that regard. Subsection (2) of Section 119.06 says:

In deciding whether to make a recommendation, the Board shall have regard to all considerations that appear to it to be relevant, including—

(c)(i) informs those who have declared an interest in buying electricity for consumption in Canada of the quantities and classes of services available for sale, and

(ii) given an opportunity to purchase electricity on terms and conditions as favourable as the terms and conditions specified in the application of those who, within a reasonable time after being so informed, demonstrate an intention to buy electricity for consumption in Canada—

There are a couple of things there which I think are important. First, the province that buys the electricity from the exporting province must show that that electricity is going to be consumed in Canada. That is easy for a province such as Prince Edward Island because Prince Edward Island is not in the position to export electricity. However, when provinces generate electricity from coal, nuclear power, or perhaps co-generation, how do we determine which electricity that second province would in turn export into the United States in breach of this provision?

• (1200)

There has to be some determination by the National Energy Board of who would be breaching that guideline. We cannot put the burden of proof back on the province that buys it. If the words "the purchasing province, within a reasonable time after being so informed, demonstrate an intention to buy electricity for the consumption in Canada" are questioned, it then becomes an argument between the two provinces.

The other question is when this electricity agreement has to be entered into. What if there are disagreements and that struggle drags on and on? Who then has the power to intercede? I think that there are questions which are not going to be healthy in the dealings between one province and another.

I would like to point out as well that there is a tremendous amount of latitude with the Governor in Council and I want to mention again that there are two systems. The National Energy Board can issue a permit without an investigation, but if it wants an investigation it has to ask the permission of the Governor in Council. Permission is given under Clause 119.07 which says:

The Governor in Council may make orders

(a) designating an exportation of electricity as an exportation that is subject to the issuance of a licence under section 119.08;

(b) specifying considerations to which the Board shall have regard in deciding whether to issue such a licence; and

(c) revoking any permit issued in respect of the exportation.

Therefore, if the National Energy Board wants to have a hearing it has to get approval from the Governor in Council. The Governor in Council not only says whether or not the hearing will be approved but, if it is approved by the very Act itself, the Governor in Council specifies considerations to which the Board shall have regard in deciding whether to issue such a licence. That takes all the power away from the National Energy Board, the agency which was set up by a former Government of Canada to regulate the export of electricity and oil and gas into the United States.

We have come a long way in reducing the powers of the National Energy Board. We did so, of course, through the Free Trade Agreement, and we are going to do so again through this Bill. We are going to have to study this Bill very carefully.

One thing of which I am glad with regard to Bill C-23 is that it will not be going to committee until the fall when we will have a chance to question at length officials and the Minister regarding these provisions.

It is also important to talk to the National Energy Board and the various provinces to get their opinions. We are going to have to take a very hard look at this. We also say in this Bill, with respect to oil and gas, that the Board does have the power to regulate price in the sale of oil and gas, except in the case of the United States.

I am wondering if this may not be the start of a continental energy policy with the United States. The Government says not; it says that the Free Trade Agreement does not give a continental energy policy. In fact, the Government, quite correctly, still has the power to assure that energy not be sold into the United States at a price cheaper than that at which that form of energy is available in Canada. However, if that provision holds in this Bill and the Government abandons all authority and all provision for regulating any price at which energy is sold into the United States, we will have in fact entered into a continental energy policy with the United States.

This Bill is a real problem for this House. It is going to be a problem for Canada. It is going to be a further abdication of federal government responsibility, which the Government does better than anything else it takes on. I hope that we can give this Bill a full study. I can assure you, Mr. Speaker, that we will not be agreeing to this Bill until some very significant changes have been made.

Mr. Ross Harvey (Edmonton East): Mr. Speaker, as my hon. friend has already mentioned, there are a number of interesting, if somewhat arcane aspects to Bill C-23, all of which are worthy of some attention.

I would like to devote my remarks today to those parts of the Bill which deal with its principal goals, the guts of the Bill which seek, simply put, to make it easier for provincial jurisdictions to export electrical power to the United States of America. However, before getting into those particulars I would like, if I may, to take a few minutes to review the history of electric production and regulation in Canada in capsule form.

The Canadian electrical industry has long been subject to regulation at both the provincial and federal levels. This is largely for historic reasons. The industry began as a collection of small hydraulic plants serving isolated loads at the beginning of the century and developed into a vast interconnected network that now spans the country. Because provincial power networks were developed in isolation, and because electricity service was commonly viewed as an essential prerequisite to economic development, individual provinces were keen to retain the exclusive jurisdiction that the Constitution Act had given them in 1867 over what was then termed the "development, conservation and management of sites and facilities in the province for the generation and production of electrical energy".

Not surprisingly, given the monopoly position of many electrical utilities, most provinces eventually decided to place electrical utilities under provincial ownership or, at very least, under close provincial control in terms of rates charged to consumers and satisfying the province's needs and export commitments.

In my Province of Alberta we have, for example, the Public Utilities Board, the principal government agency overseeing the electrical industry. We have as well the Energy Resources Conservation Board which has some jurisdiction in the area and, most recently, the Electrical Energy Marketing Agency which is the provincially created agency for the pooling of electricity rates charged to Albertans. I believe we still have, however, four power companies operating in Alberta, two of which are publicly owned.

The provinces thus have interests that cover both provincial concerns and concerns of export, and these interests are those which often overlap with federal interests. In fact, this overlap was virtually guaranteed by that same Constitution Act, 1867 which granted authority over international trade and commerce to the federal Parliament.

• (1210)

As a result, the regulation of electricity exports and the regulation of international power lines clearly fall within federal jurisdiction. The regulation of the electricity industry in Canada has reflected the growth and evolution both of the industry and the country itself. Industry has long been regulated by both the provinces and the federal Government. This has been a fact of Canadian life.

The federal Government, from the outset, attempted to ensure that any exports of electricity were surplus to Canadian needs. This has really been the hallmark of federal policy for decades. In fact, even prior to the establishment of the National Energy Board in 1959, export prices were reviewed and exports were regulated to make sure that hydro-electric resources would not be alienated from Canadians. This focus persisted after the Royal Commission on Energy recommended the formation of the NEB. As the then Minister of Trade and Commerce, the Hon. Gordon Churchill, put it in 1959:

> In the case of electricity, it has been the policy in the past to grant only annual licences for export, so as to prevent permanent alienation of power.

The National Energy Board Act of 1959 extended the maximum export licence period from one to 25 years, but there was a clear expectation that long-term licences would be granted only in exceptional circumstances. As the National Energy Board report of 1987 put it:

> The rationale—appears to have been that, if Canadian energy were to be sold to export customers at prices lower than those at which it were sold to Canadians, it would undermine the competitive position of Canadian industry *vis-à-vis* its American competitors and be unfair to Canadian consumers.

I think it worth while to recall what the then Prime Minister, the Right Hon. John George Diefenbaker, a fine and historic western leader who was possessed of a great wisdom to which this House should still pay heed, said when the details of the NEB Act were debated in Parliament in 1959. He outlined what had been the preoccupation of federal policy for years. In referring to the NEB Act of 1959, he said:

> As to the price to be charged for gas and power, it must be just and reasonable in relation to the public interest. With the implementation of this legislation.
>
> No longer will there be any suspicion that the Canadian consumer is being forced to subsidize the foreign markets or that Canadian industries will be asked to pay higher prices for their energy than those paid by foreign industries using Canadian energy— The Bill protects not only the industrial future of Canada but the producer and the consumer.

The statement of national power policy released in 1962 by the then Minister of Trade and Commerce, the Hon. Mitchell Sharp, represented a significant policy departure from the past. It stated that under certain circumstances, it would be in the national interest:

> —to licence the export of large blocks of firm power to United States utilities to permit the development of large scale remote hydro or other power projects which would not be viable unless supported by the export for long periods of a significant proportion of the power generated.

In spite of this change, which allowed facilities to be built mainly for export, the regulation of electricity exports at the federal level remained important in Canada for a number of reasons. Indeed, there have historically been several reasons for the close regulation of electricity production and sale internationally and between the provinces at the federal level.

These are political and economical reasons. They include, for example, ensuring the security of supply for Canadian consumers and ensuring quality of access regardless of the region in which one lives.

The official opposition critic mentioned earlier the case of Prince Edward Island which has no electric generating capacity itself but relies on imports from other provinces.

A third reason is to assist in regional development. As well, there is the question of balancing interests of investors with over-all public interest. These interests may from time to time diverge. They may in fact compete.

For example, electric monopolies are shielded from competition and can raise prices well above the cost of supply. They can engage in price discrimination between customers. They can prevent competition for export markets by denying access to transmission systems. An electrical generation project may be profitable from the perspective of investors but may be undesirable from a national perspective once all of the associated costs, such as the flooding of huge areas of land, are factored in. A project may be desirable from a provincial perspective but not from the perspective of other provinces.

For example, if a province chooses to generate large amounts of electricity through the construction of a very large coal fired generating plant, that can result in airborne pollutants being carried away to a neighbouring province.

Of course short-term perspective may cause future generations to pay higher prices than would otherwise be the case. For example, the exploitation of our most favourable, most easily accessed, most easily developed hydro sites now for export, leaving distant, costly sites for future development for domestic use later.

All these concerns are legitimate. All should be addressed by any responsible federal Government. None should the take the back seat to short-term political or economic considerations or to facile ideological arguments. This is especially important given the critical nature of electricity in Canada's economy and energy future.

It has been argued by some that electricity is a commodity like any other; that like oil and natural gas it should be deregulated; that it is a value added product, indeed a manufactured good in essence; and that it should be deregulated as the oil industry was in 1985 and as the national gas industry was in 1986.

Surely we can agree in this House that electrical energy is not a commodity like any other. The NEB has recognized this in its report on the regulation of electricity exports released in 1987, where it noted:

> An essential commodity might be defined as one on which a country's security, economic health or the well-being of its population depends heavily and for which there are no close substitutes readily available at reasonable cost. The Panel believes that electricity qualifies as an essential commodity in most uses.

National Energy Board

> Over time, alternative energy forms could replace electricity in some applications; however, in most applications, there are no reasonable substitutes for electricity, even over the long term.

Even the previous Minister of Energy, Mines and Resources, the Minister of Communications (Mr. Masse), took great pains to emphasize the importance of electricity in his speech on November 26, 1987 to the Board of Directors of the Canadian Electrical Association, wherein he said:

> Electricity's importance cannot be overestimated. It is essential to our civilization. Without it, we would not be lighting our buildings by merely flicking a switch. Our advanced medical treatment systems would not exist. There would be no radios, no television, no computers.

All the more important, one might add, to have a policy that will protect the interests of Canadians now and into the distant future.

The existing system of electrical export regulation has been clearly outlined in a background paper issued by the Minister of Communications last September. It is the system which has been in operation for many years now and has served Canada well thus far. It features, in summary, the following elements: the board issues export licences and orders for periods not exceeding 25 years; the board authorizes the construction and operation of international power lines, which are lines connecting a place in Canada to a place in the United States; in cases designated by the Governor in Council, the board regulates interprovincial power lines, which are lines from a place in a province to a place in Canada outside that province; and the board regulates the detailed routing of international and designated interprovincial power lines.

The procedure for exports and the procedure for power lines are essentially the same under the current legislative and regulatory regime. Except in very minor cases, the board conducts a public hearing and has regard to all relevant considerations. If the board finds that the proposal is in the Canadian public interest, it recommends to the Governor in Council that it be approved. Otherwise, the board denies the relevant authorization.

With respect to exports, there are two criteria which the board now focuses on: first, whether the export is surplus to reasonably foreseeable Canadian requirements and, second, whether the export price is just and reasonable.

With respect to power lines, the board focuses on the economic and technical viability of the line, on socio-economic considerations and on the environmental impacts associated with the proposed route.

In addition to assessing applications with respect to the above criteria, the board also ensures that proposals adhere to relevant environmental standards and that export authorizations do not exceed 25 years in duration.

This regulatory regime will be changed by Bill C-23 in four principal aspects. First, and in many cases the most important, the provincial jurisdiction will now be the jurisdiction at which the advisability of export applications is determined. It will now be at the provincial level where the questions surrounding the proposed export are dealt with and some kind of recommendation devised.

• (1220)

Second, on the basis of this provincial work, the National Energy Board will routinely grant export permits in most cases. It is expected that in only a few cases will licences in the case of electricity exports or certificates in the case of power lines, both of which would occasion public hearings, be required. So long as the sponsoring province has complied with relevant federal environmental processes and so long as provincial regulations are deemed to be sufficient, exporters need only obtain a permit and can thereby usually avoid a federal public hearing.

Third, the maximum duration of export licences and permits will be increased from 25 years to 30 years.

Fourth, the National Energy Board will be required to begin to recover its costs.

How will these changes affect electricity trade over the decades? It is difficult to make firm predictions, but a number of concerns must be addressed. Let me elaborate.

First, public hearings for export applications will be rare because of what will now be the usually routine granting of permits. There is no compelling reason for making public hearings less frequent, especially given the importance of electricity to our national energy future. There has been no good evidence presented to the effect that the public hearing process has been overly burdensome in the past. Real duplication in the public hearing process is likely a rather rare thing and certainly not routine between federal and provincial agencies involved. Public hearings address issues of national

importance as distinct from items of provincial importance.

It is very difficult to anticipate all aspects of national interest based upon review from the provincial perspective. For example, it is conceivable that a utility or a provincial Government and its neighbour would both be in favour of a given export proposal, even though it may not be in the national interest in the long term. The NEB would be placed in the difficult situation of trying to anticipate these national interests without a national hearing. In fact, some provinces have review processes that can only be considered rudimentary.

A closed process seldom serves the public purposes well. It is not surprising that some utilities find the current process inconvenient, troublesome, even vexatious at times, although it should be remembered that the NEB has never refused an export application. Granted it has forced some alterations in applications, but it has never refused one.

It is possible under the new regime that the occasional export contract might be held up, even lost, but in our democratic system there is no good substitute for open public fora to protect the public interest. The process proposed in Bill C–23 forces the NEB to address the concerns of the public in a way that is not open, in a way that is inadequate, and in a way in which the criteria of the people of the country cannot reasonably be represented. The process that we now have forces the NEB to address the concerns of the public in the open using criteria that are clear and obvious to everyone.

Second, the Bill could politicize the making of decisions regarding whether to grant simply a permit or hold public hearings. Under the proposed system, the NEB would recommend to Cabinet that a public hearing be held if there is any reason to believe that the proposal may not be in the public interest. So far so good. However, the final decision on this is made by the Cabinet, not the NEB. This means that a decision made under this system is much more likely to be made on political grounds, and this could threaten regional interests. For example, a small province with few votes and few seats in Parliament could suffer if the Cabinet backed the export application of a more powerful neighbouring province for political reasons.

This could threaten the national interest. For example, Cabinet could side with an exporting province regardless of the national interest, if Cabinet saw that it was politically advantageous for some reason or other to do so.

This could certainly threaten the NEB. For example, if Cabinet reverses an NEB recommendation, *vis–à–vis* an important export proposal, if but once the NEB recommends to Cabinet that on a particular proposal public hearings must be held, and Cabinet says "no", the likelihood of Cabinet not accepting a given recommendation in future would likely figure prominently in the NEB's deliberations.

In other words, it would hobble the NEB as an effective regulatory body. Once overruled by Cabinet, the credibility of the NEB would be shattered and its future considerations would always have to be taken under the cloud of that disapproval. This would spell the end of the NEB authority as we know it.

Third, the maximum duration of export licences and permits will increase under these amendments from 25 years to 30 years. There has been no good justification for this increased alienation of a valuable Canadian resource. Until one is provided, the current duration of 25 years should remain.

I would like to note that those who are familiar with the speeches of the Hon. Minister of Communications, as I am becoming increasingly, will have noted his fondness for commencing each speech with a quote from some famous authority or person of letters. I will spare everyone here the detailed experience, but he began his speech of November 26, 1987 by outlining the proposed policy changes with a quote from Montesquieu as follows:

> No alteration should be made in a law without sufficient reason.

No sufficient reason has been given in this case for the increase from 25 years to 30 years of the maximum duration of export licences and permits. I challenge the Government to provide one or to withdraw this part of the amending legislation.

Fourth, the National Energy Board under this Bill will be forced to recover its costs. Presumably this means

from the utilities requesting export permits or licences. This will likely mean higher electricity rates for consumers in Canada, which is another form of regressive taxation.

Fifth, the Government's strategy of making electricity exports easier is all the more worrisome, given the proportionality clause in the Free Trade Agreement. Reducing public hearing processes to increase exports would be bad enough in itself, but this is made more serious by the fact that electricity exports come under the proportionality clause of the FTA. In times of energy emergency, we will be forced to export the same proportion that we exported from Canada for the previous three years. Meanwhile the Government is keen to increase this proportion by reducing the review process here in Canada.

Sixth, making exports easier also runs the risk of Canadians paying higher, not lower, prices for electricity in the future. As Tanis Mathers, of the Consumer's Association of Canada put it, as reported in *The Montreal Gazette* for September 8, 1988:

> Canadians could could wind up paying higher prices because utilities could lock themselves into long-term contracts, making future electricity supplies scarce for domestic consumers.

He said directly, and I quote:

> The fear is that—new projects needed to fill the demand at that time may be more expensive and increase electricity rates for domestic consumers.

This view is echoed by the NEB in its report on the regulation of electricity exports from 1987, where the board noted:

> Unlike many manufactured products, most Canadian electricity production may be subject to increasing costs. Utilities generally develop their more favourable hydro sites first. Thus, if any but the costliest sites were developed to service the export market, the selling utility would have to develop a more expensive hydro site to service Canadian demand earlier than without exports. This means that, because of exports, Canadians would pay more sooner for their electricity. Similarly, nuclear safety and siting is expected to become increasingly costly over time, so that more rapid development in the short-run may mean higher prices for Canadians sooner than otherwise.

Those are the major concerns with the Bill as presented to us. Those are the concerns that we will be addressing in committee.

There are other questions as well. I think the principal question that the Government has yet to answer is: Why are we doing this? Why are we changing the statutory and regulatory regime governing the export of electricity from Canada to the United States, and why are we doing it at this time? There are those uncharitable souls among us who would offer the perhaps jaundiced view that this indeed is a pay-off to Mr. Bourassa, the Premier of Quebec, in return for that individual's—let us be kind—tacit support for the current Government at the last federal election. It can be noted that the Bourassa Government of Quebec maintains no independent regulatory agency of hydro production, transmission and export in that process, leaving just Quebec Hydro and the Quebec Government as the regulators of future exports sales from that province to the U.S.A.

• (1230)

Just recently we saw a massive new sale of Quebec Hydro power to the United States at a time when most industry forecasters are saying that Ontario is facing increased electricity needs over the next while which could necessarily occasion the construction of new, large and perhaps numerous nuclear plants in Ontario. This is at the same time as cheap Quebec Hydro power is going to the United States. Question No. 1 is why are we doing this at this time?

Question No. 2 is of much greater detail, if Hon. Members will bear with me.

What status is the current first price guideline in this Bill? Under the National Energy Board Part VI regulations, subsection 6(2)(z)(i), an applicant is required to demonstrate that the export price "would recover its appropriate share of the costs incurred in Canada". This ensures that all costs, including the indirect costs that are difficult to quantify, that Canada incurs as a country but which are not borne by the exporting utility are taken into account in the export price. How are these costs, including extra-provincial impacts of a facility, for example, to be quantified and addressed under the provisions of this Bill? We do not know.

Finally, there are some miscellaneous considerations that the House may wish to entertain as it continues to consider this Bill. Because of the provisions of the Free Trade Agreement with the United States which require we sell to the United States under conditions identical to those under which we sell in Canada, it is virtually impossible for Canada to spur economic diversification and regional development using the natural advantage of

the plentiful electrical power we can generate in Canada.

As well, the emphasis of this Bill is toward supplying an ever greater amount of electricity to the United States, toward supplying or attempting to supply an apparently insatiable demand. Supplying this demand obviously brings with it benefit for Canada in terms of jobs and economic activity. It also brings environmental and other problems.

It needs always to be remembered that curbing demand can create jobs as well, and it is this focus that will lead us toward a more sustainable future. Random examples of this are light bulbs that use less electricity or producing electrical appliances for export that use much less power.

We must think of acid rain, nuclear waste, flooding valleys and the greenhouse effect when we think of electricity exports. In this context, electricity will be seen to be ever more strategic in nature. Natural gas, alternative fuels and hydroelectric power will be seen to be clean by more and more people and will be more valuable and in demand in the future. It will be more essential to the maintenance of a clean, environmentally healthy nation.

The Government, unfortunately, appears to want to alienate a greater share of one of our most valuable, most strategic natural resources, our electrical power. It is indeed ironic to reflect on the speech made by the Hon. Minister of Energy, Mines and Resources (Mr. Epp) to the B.C. Hydro's second annual energy forum held on May 11, 1989, when he said:

> To ensure that we continue to have one of the world's highest living standards, we will need to increase dramatically the amount of electricity we generate—over the next 25 to 30 years, Canada will probably have to double its present electrical generating capacity.

This is from a Minister who is overseeing a Bill through this Parliament that will make greatly easier the export of our hydroelectrical power or electrical power generated through other means to the United States.

There are too many problems in this Bill. There are too many questions it leaves unanswered. Until those problems are addressed and until those questions are answered, we cannot support this Bill.

[*Translation*]

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur State) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, I have listened to my two colleagues, the critic of the Liberal Party of Canada the and Member for Cape Breton—The Sydneys (Mr. MacLellan) and the Member for Edmonton East (Mr. Harvey), who have presented, I presume, their party's position on Bill C-23. You will not be surprised if I tell you straight off that the Government does not share the opinions of my colleagues from the opposition parties. I am sure the public will not be surprised to hear this either, except that there are some arguments which, I think, should be voiced with great caution.

I am thinking, in particular, of the argument put forward a few minutes ago by my colleague from Edmonton East (Mr. Harvey) which is in fact an argument we frequently hear when a bill presented in the House of Commons does not please everyone; obviously, it must be Quebec's fault, this must be a favour to Robert Bourassa. That is not a very original argument, Mr. Speaker. It lacks depth and I would even say it is somewhat lacking in good will, especially this week as we will soon be celebrating our country's anniversary. Anyway, that is not the kind of argument I will use put forward to introduce Bill C-23.

[*English*]

The purpose of the Bill is twofold. First, it gives effect to the Government's policy respecting the regulation of electricity trade announced in September of 1988. Second, it provides for a number of minor changes in the National Energy Board Act that will reduce costs to the Government and will clarify the responsibilities of the board.

The critic for the Liberal Party and the Hon. Member for Edmonton East (Mr. Harvey) mentioned that this legislation was first enacted in 1959. By virtue of its age, I think we could easily draw the conclusion that legislation enacted in 1959 and revisited in 1989 would normally require modernization to make it more responsive to the needs and energy problems of the 1990s leading up to the new century. It is quite obvious that this legislation needs to be revisited since it deals with a sector in which activity is so intense and the pace of change is so rapid.

National Energy Board

The National Energy Board's present regulatory responsibilities with respect to electricity may be briefly summarized as follows: First, the board issues export licences and orders for periods not exceeding 25 years. Second, the board authorizes the construction and operation of international power lines. Third, in cases designated by the Governor in Council, the board regulates intraprovincial power lines. Finally, the board regulates the detailed routing of international and designated interprovincial power lines.

In describing how the system of regulating works, it is useful to distinguish the board's procedures from the board's review criteria. The procedures for reviewing export applications and the procedures for reviewing power line applications are essentially the same. Except in very minor cases, the board conductsa public hearing and has regard to all relevant considerations. If the board finds that the proposal is in the Canadian public interest, it recommends to the Governor in Council that it be approved. Otherwise the board denies the relevant authorization.

With respect to exports, there are two principal criteria that the board now applies. The first is whether the export is surplus to reasonably foreseeable Canadian requirements and the second is whether the export price is just and reasonable.

With respect to power lines, the board focuses on the economic and technical viability of the lines, on socioeconomic considerations and on the environmental impacts associated with the proposed route.

There are two main reasons that this Act needs to be changed. The first is that the regulatory procedures now in place are capable of improvement in several important ways. Second, the criteria the board applies in assessing applications are no longer as pertinent as they were when the Act was introduced in 1959.

• (1240)

The problem with the existing procedures is that they result in an unwarranted duplication of provincial regulation. In 1959, most provinces did not have mechanisms in place to regulate electricity exports. Today, all exporting provinces regulate their exports in one way or another. This means that federal regulations should focus on complementing rather than duplicating what the provinces already do.

The problem with the criteria that the board applies in assessing applications for electricity exports and international power lines, is that it does not adequately reflect today's realities. I can give two examples of what I mean.

In 1959 when the National Energy Board Act was introduced, most provinces did not regard themselves as exporters, and several anticipated that they might become electricity importers. Hence, there was a need for the National Energy Board to pay particular attention to whether a proposed export would be surplus to Canadian requirements. Today, all provinces are self-sufficient in generating capacity, and nine provinces regard themselves as electricity exporters or potential exporters.

My friend, the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan) of the Liberal Party referred to Prince Edward Island a few times during his remarks, quite justifiably so, and I would tend to guess that the only province that would not consider itself to be a potential exporter of electricity would be the Province of Prince Edward Island. However, today, all other provinces, contrary to 1959—and that is the difference—consider themselves, if they are not already exporters, as potential exporters of electricity. That has been a great change since the Bill was first brought in.

This does not mean that surplus considerations are now irrelevant. Quite the contrary. However, it does mean that it no longer needs to be one of the two or three dominant factors determining whether or not an export application is in the Canadian interest.

A second example, and perhaps the most important one, concerns the environment. The existing Act does not mention the environment in the key section that lists the considerations that are to be examined by the board in its determination of whether a proposed export is in the public interest. This is unsatisfactory in light of what we know today about the importance of environmental protection. In this context, it is evident that a new approach to electricity regulation is required.

I would now like to identify the fundamental principle upon which the new system of regulation is to be based. The essence of our federal system of Government is the distribution of powers between a central legislature and distinct provincial legislatures such that each is autonomous within its own sphere of jurisdiction. Unfortunately, the practice of federalism is often not a very easy one, as the Hon. Member for Edmonton East knows very well. Spheres of jurisdiction sometimes overlap, and this tends to lead to a duplication by two levels of Govern-

ment. Such duplication, where it is unwarranted, is a burden that the public should not have to support.

Under the Canadian Constitution, the provinces have jurisdiction over electricity generation, except for nuclear power, and intraprovincial power lines. The Government of Canada has jurisdiction over electricity exports, international power lines, and interprovincial power lines. Jurisdiction over interprovincial electricity trade is shared by both levels of Government.

However, because of the manner in which the Canadian electrical industry has evolved, those matters formerly within the Government of Canada's jurisdiction, tend to be extensively governed by provincial policies and laws. It is the provinces that decide whether electricity will be produced for export. It is not the federal Government, but the provinces. It is the provinces that decide the extent to which their utilities will engage in interprovincial trade. It is the provinces that govern the management of the provincial electrical grids. It is provincially-owned or provincially-regulated entities that initiate and conclude electricity trade transactions.

These facts suggest that the Government of Canada should design a system for regulating electricity exports that will function by exception. Where provincial regulation is sufficient to protect the Canadian public interest, federal regulation is not warranted; where provincial regulation is insufficient, the federal Government must have the full authority to act. In other words, the National Energy Board should complement and not duplicate measures taken by provincial Governments. This is the basic principle underlying the amendments contained in this Bill.

I now wish to describe the new regulatory procedures set forth in this Bill as they apply to the regulation of electricity exports and international power lines. The regulation of interprovincial power lines, which I shall come to later, will be different in certain important respects.

National Energy Board

Applicants for an export authorization or authorization to build an international power line will continue to submit their proposals to the board. Upon receiving the application, the board will ensure that notice is published in *The Canada Gazette*, and in such other media as are likely to be seen or heard by interested parties. The board will then carry out an initial screening of the applications. If the board is satisfied that the assessments carried out by the sponsoring provinces have adequately addressed all relevant concerns, the applicant will receive Canadian government authorization in the form of a National Energy Board permit.

A permit will not require a public hearing, nor will it require Governor in Council approval. However, and this is the important point to make, if there is a need to complement the measures carried out by the sponsoring provinces, then the board will recommend to the Governor in Council that a public hearing be carried out. Thus, the full authority of the federal Government will remain. It may be of some comfort to Members of the House and the public to know that the board's advice will also be made public.

If the Governor in Council accepts the board's recommendation, there will be a public hearing. Any such hearing will be conducted by the National Energy Board, and the board will have regard to all relevant considerations. Once the hearing is completed, the board will either deny the application or else recommend that a licence, in the case of exports, or a certificate in the case of power lines, be issued. Certificates and licences will not be issued until they have been approved by the Governor in Council.

In addition to those changes regarding the procedure for the authorization of exports and power lines, there will also be changes in the way that the detailed routing of international power lines is determined. The National Energy Board will, in all cases, authorize the general corridor through which the line will pass. The precise location of the line within this corridor will then be determined by provincial regulatory procedures and any expropriation that may be necessary will also be carried out under provincial laws.

The only exceptions to this general procedure will be in cases where the applicant elects to have federal law govern precise location and construction of an international power line. Upon such an election, the line will automatically be designated for a certification proceed-

ing. Applicants seeking to build power lines will therefore always have the choice of whether provincial or federal law will govern detailed routing and land acquisition. It is anticipated that most will choose provincial law in order to avoid regulatory duplication. However, there may be instances where the applicant would prefer that federal law applied. This could happen, for example, where a line is opposed by one of the provinces through which it is to pass. That is consistent with the role that a federal Government would want to play in the area of energy: to be there and to be able to intervene as an arbiter in such cases where from time to time there are difficulties between provinces. We know that at any time there may be those types of difficulties, but the Act does enable us to intervene in such a case.

It is proper that the National Energy Board should conduct a public hearing to determine whether construction of the line should be authorized. The board should also have the power to ensure that the line, once authorized, can in fact be built. The board's powers regarding the detailed routing will thus be retained for just this purpose.

The procedures for the regulation of interprovincial power lines are unchanged from those set forth in the present National Energy Board Act. For the most part, such lines will be regulated by the provinces through which they pass. However, the Governor in Council may make orders designating that the line be certificated by the National Energy Board. When such an order is made, the detailed location and construction of the line will be governed under federal law.

• (1250)

I have already mentioned to you, Mr. Speaker, the basic principle governing the new policies that there should be no unwarranted duplication of federal and provincial regulations. It follows that the National Energy Board should concentrate on those aspects of a proposal that may not have been sufficiently dealt with by provincial regulatory procedures. The Bill states that in deciding whether there is a need to complement measures carried out by the provinces the board shall have regard to all considerations that appear to it to be relevant. This means that the board's purview will not be limited in any way. That is a very important point for this House. However, in order to give some guidance to applicants, the Bill does cite three specific criteria not limited in any way that we will want the board to look at.

To begin with, the board will consider any impacts that a proposed export or international power line might have outside the sponsoring provinces. The second criterion will be the environmental impacts of the proposal and in particular whether it complies with federal environment standards. Finally, the board will consider whether Canadians wishing to buy electricity to serve their own domestic needs have been able to do so on terms no less favourable than the terms being offered to export customers. Thus I think the Hon. Member from Edmonton will be happy to know that the words of the Right Hon. John Diefenbaker which he cited would still find some effect in today's legislation. I can only assume that the Hon. Member from Edmonton would be happy that the policy put forward by the Conservative Government at that time is still respected, something for which he wished in his speech.

[*Translation*]

Mr. Speaker, my colleague from Edmonton East has also mentioned his concerns regarding the fact that under this legislation we could authorize the period of export, that we could issue periods of more than 25 to 30 years.

And the Member for Edmonton East argues that he does not know, that he has no idea why— Well, it's really quite easy to understand! The reason, Mr. Speaker, is to enable us to undertake large projects, hydro-electricity projects requiring massive investments, several billion dollars worth of investments. And there is no great mystery in that, you don't have to look very far, you only have to look at the energy sector, the oil sector, which also require considerable investments. If you're going to drill in the ocean, that requires considerable investments. Those investments have to be financed.

Mr. Speaker, we in Quebec know a thing or two in this area, thanks to Hydro-Québec. We have financed several mega-projects in the last several years and it takes a certain time to amortize the costs and reimburse the loans. It's as simple as that, that's not so difficult to understand, except we thought that a 25-year period might be a bit tight and, without necessarily coming up with the perfect measure, because the financial markets also change a lot, we said to ourselves: We'll extend it to 30 years, that will give us extra leeway and enable us to better finance the mega-projects we are considering throughout Canada. Some of these projects will be developed in Quebec, unfortunately for the Member for

Edmonton East who does not like Quebec nor Mr. Bourassa very much, but other projects are planned for other regions of Canada, namely in British Columbia and in Alberta. We want to be able to take advantage of this natural resource everywhere in the country.

So, that is why we have decided that the permits should be valid for 30 years instead of 25. There's nothing very complicated in that!

[*English*]

I would now like to summarize the amendments that do not relate specifically to electricity. These are being introduced to reduce costs, to streamline the board's operations, to reflect the reduced level of regulation that has resulted from a more market-based approach to energy policy and to make other minor improvements to the Act. I was hoping there would not be a great clamour when I used the words "more market-based approached". It looks as though members of the Opposition were able to resist commenting on those words.

First, the number of board members is being reduced from 11 to a maximum of nine. The associate vice-chairman positions are to be eliminated.

Second, the board is to be given cost-recovery powers consistent with our over-all approach to deficit reduction announced in the Budget.

Third, the powers of the board with respect to such matters as accident inquiries, accounting practices and repairs are to be clarified.

Finally, a number of other minor changes such as the redefinition of certain terms are introduced to facilitate the application of the Act.

This Bill demonstrates that despite what the critics of the Canada-U.S. Free Trade Agreement have been saying, Canada's energy interests are still fully protected. Electricity exporters must continue to obtain authorization from the National Energy Board. The amendments state quite explicitly that an application may be denied if it has unacceptable extraprovincial effects, if it has significant adverse environmental impacts and if Canadians wishing to buy electricity have been denied fair access to the electricity. The Bill thus proves that the Free Trade Agreement does not undermine the National Energy Board's ability to protect Canadian interests.

The Bill also demonstrates that the federal Government will not compromise its responsibilities with respect to international or interprovincial trade. All international power lines and all electricity exports will continue to require National Energy Board authorization. The Governor in Council will retain the power to designate interprovincial power lines as lines requiring a National Energy Board certificate.

As regards the detailed routing of power lines, the amended National Energy Board Act will state that while in most cases the relevant procedure will be provincial, applicants can, if they so wish, elect to have federal procedures apply. The Bill asserts that the federal Government will continue to exercise its authority to protect Canadian energy interests.

The amendments contained in the Bill will also provide a powerful incentive for the provinces to develop more rigorous environmental protection procedures. Because new exports and international power lines account for only a very small portion of Canada's total electricity supply system, federal export regulation in the past has proven to be an ineffective way to ensure that adequate environmental standards and procedures are applied to new electricity projects. The federal objective is to ensure that all electricity projects, not just those few designed for export purposes, also obtain rigorous environmental scrutiny.

This Bill will give the provinces a strong incentive to apply such scrutiny by putting standards and procedures in place that are equivalent to federal requirements. The provinces will avoid having their export applications subjected to a second regulatory proceeding.

All of this sounds pretty logical to me. Maybe it is something a little foreign to the political process. However, I think this Bill stands out as a good example of the necessity for change in our society. This Bill would amend an Act enacted in 1959, which Act deals with an area of our national life that has been very turbulent. It has gone through a great many changes in a very short period of time. It has affected our national life. It has become part of our national culture. It is a piece of

legislation that needs to be updated and changed. It needs a new focus. That is what this Bill is about.

It is a piece of legislation that also reflects the way our country works and how it has evolved. In 1959, most provinces did not regulate electricity. Now they do. So is it necessary for the federal Government to also leap aboard and be there with them to over-regulate the regulators? Could we not play a role that is complementary one to the other? What this Bill is about is good Canadian common sense. We recommend it to this House very highly.

The Acting Speaker (Mr. Paproski): The Chair will recognize the Hon. Member for Sudbury after 3 p.m.

It being 1 p.m., I do now leave the chair until 2 p.m.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

ST. LAWRENCE SEAWAY

THIRTHIETH ANNIVERSARY OF FOUNDATION

Mr. Denis Pronovost (Saint-Maurice): Mr. Speaker, today we celebrate the 30th anniversary of the opening of the St. Lawrence Seaway, a real triumph over geography.

[*English*]

From Thunder Bay to Sept Isles ships may travel freely through nine locks, canals, and channels, by climbing the equivalent of a 62-storey building.

[*Translation*]

The St. Lawrence Seaway remains one of the finest works of engineering in the world. The 20,000 workers who built it over a five-year period removed 210 million cubic yards of rock and earth.

The St. Lawrence Seaway has supported the economy of several regions of Québec and Ontario for 30 years. We pay tribute to the workers who built it and to those who operate it today for their significant contribution to the Canadian economy.

[*English*]

NORTHERN AFFAIRS

EXPORT OF WHALES

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, my constituents who reside in the Mackenzie Delta were interested to learn of the federal Government's probable assistance to the Governor of Illinois when he personally requested that the Minister of Fisheries and Oceans (Mr. Siddon) allow three whales to be exported from Hudson Bay to an aquarium in Chicago.

Northerners believe these projects should be justified on their economic and scientific merits and should not depend on a Minister's whim.

Residents of Aklavik in the Northwest Territories have been working on a different kind of whaling proposal, but when they asked for assistance from the same Minister, he advised them he would not help and that they should negotiate on their own with authorities in Alaska.

Similarly, other northerners have been requesting assistance from the Department of Indian and Northern Affairs for at least the last two years to acquire an export permit to remove some reindeer to points within Canada. They have not only received no permit from the federal Government, they have not even had the courtesy of a response.

We cannot all live in the States. At some point the Government is going to have to treat Canadians as well as it treats Americans.

* * *

EXTERNAL AFFAIRS

VIOLATION OF HUMAN RIGHTS IN CHINA

Mr. Gus Mitges (Bruce—Grey): Mr. Speaker, I, along with Alliance for Life and 26 other pro-life affiliated groups with over one million supporters, wish to express our utmost horror and dismay at the recent violent suppression of lives and human rights in China.

Equally important to this abhorrence is the coercion of Chinese mothers into killing their children by abortion. This involves the use of forced abortion and infanticide

against families that exceed their child quotas of more than one child.

The United Nation's fund for population activities has been promoting such activities in China and in other countries to the tune of millions of dollars every year. The United States, formerly one of the chief supporters of this program, has ceased its funding because of the coerced abortions in China.

Canada, however, continues to be a very generous contributor to this fund. I firmly believe that most Canadians want no part of it, either directly or indirectly.

I therefore call upon the Government to withdraw support of any or all such organizations which contribute to the destruction of unborn human beings by depriving them of their human rights.

* * *

REGIONAL DEVELOPMENT

PRIVATIZATION OF CONSTRUCTION CONTRACTS

Mr. George Proud (Hillsborough): Mr. Speaker, the latest annual report of the Construction Industry Development Council, submitted to the then Minister of Regional Industrial Expansion, made a number of recommendations.

The recommendation to contract out construction work to private industry will undoubtedly outrage workers across the country. The council reported:

> Contracting out of construction work delivers known costs, timely completion, guaranteed performance, quality assurance and an increased tax base. This compares favourably to the unpredictable costs of construction work when public employees and equipment are used.

This theme of contracting out or privatizing is rapidly gaining momentum in the Canadian workplace. Recently, the aforementioned council, in conjunction with Industry, Science and Technology Canada, produced a pamphlet entitled *Can you Afford not to Contract Out*. Does this mean that the Government supports the recommendations of the council?

S. O. 31

TOBACCO PRODUCTS

BAN ON SALE IN DRUG STORES

Mr. John Reimer (Kitchener): Mr. Speaker, recently the Canadian Medical Association released a statement which reads in part:

> The (CMA) will encourage the public to buy prescription drugs and other health products from drug stores that do not sell tobacco products. In the opinion of the CMA, the selling of tobacco is incompatible with the primary purpose and role of the pharmacy. The pharmacist is a respected and trusted health care professional, not a seller of products that, when used precisely as intended by the manufacturer, cause disease and the premature death of over 35,000 Canadians a year.

I would like to commend pharmacies in the Kitchener area which do not sell or have stopped selling tobacco products. They include the Hoegler, Riepert, Queen South, Forest Hill, and Heritage Park pharmacies.

I would also like to encourage other drug stores in the Waterloo region and across Canada to follow their example by ceasing to sell tobacco products.

* * *

FORESTS

FEDERAL–PROVINCIAL AGREEMENTS

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, Forest Ministers from across Canada are meeting with the federal Minister today. Canadians are anxiously awaiting renewal of the six expired federal–provincial forestry agreements that have provided a significant contribution to reforesting our denuded forest lands.

The Minister has said previously that he would have signed agreements in place by this week and would release the bargaining position of the federal Government.

The Minister should live up to his word, the Government should live up to its word, and release the details of the new agreements and the bargaining position of the federal Government to Parliament. In short, failure to act now means that the future of our forests are threatened.

S. O. 31

TRADE

INTERPROVINCIAL BARRIERS

Mr. Lee Richardson (Calgary Southeast): Mr. Speaker, it is time to break down the barriers to trade between our provinces. Canada's Constitution and the General Agreement on Tariffs and Trade prohibit restrictions on the free movement of goods between provinces. Yet, in Canada today, our internal trading practices ignore our international obligations and defy our Constitution.

Barriers to trade between provinces reduce industrial efficiency, distort capital investment, adversely affect the international competitiveness of Canadian exports, inconvenience citizens, and strain national unity. Our national economy is Balkanized into ten smaller markets.

Provincial Governments have set up other less visible barriers to trade by imposing different labour standards, establishing procurement restrictions, and giving tax and industrial incentives to companies based within their borders.

The four western provinces have taken steps to alleviate this situation and have signed their own agreement to reduce trade barriers and provide open tendering for government purchasing. This is an excellent beginning.

It is ironic that while this country has negotiated an outstanding Free Trade Agreement with the United States, barriers to trade within our own country remain. In the last two years a joint federal–provincial committee has reached an agreement in principle on opening government procurement, but it requires the approval of the First Ministers.

There is no reason for further delay. We are strong enough to compete in the global market–place. We can surely compete at home.

* * *

FINANCE

NEW SALES TAX

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, before the Minister of Finance (Mr. Wilson) assures the House that the new sales tax will not be a hidden tax and Canadians know about it, he should ask himself the following questions:

Does he know how much federal tax he paid the last time he filled his gas tank? Can he tell us what federal taxes apply to gasoline and what rates? Does he believe that 90 per cent of Canadians have any idea how much tax they pay at the gas pump? I expect not because the tax is built into the price of the product.

How will the Minister keep his promise that Canadians will know exactly what they are paying in federal sales tax?

I have no doubt there will be a massive propaganda campaign undertaken by the Minister. No matter what that campaign costs, Canadians will still not know how much sales tax they are paying on their children's music lessons or dental bills. There is no doubt that we will see the expenditure of millions of dollars before an information blitz will be allowed to die a quiet death when the Government will then be free to increase and expand the tax behind the veil of secrecy.

* * *

[*Translation*]

SPORT

VAL D'OR REQUEST TO BE PART OF THE QUEBEC MAJOR JUNIOR HOCKEY LEAGUE

Mr. Guy St–Julien (Abitibi): Mr. Speaker, on October 29, 1976, the Municipality of Val d'Or applied for membership in the Québec Major Junior Hockey League. On May 26, 1987, the Val d'Or drill operators took over this application. Abitibi–Témiscamingue has contributed 530 players to Québec hockey at the junior, college, university and professional levels. Forty–four of these players went on to the National League, like Jacques Laperrière, Serge Savard, Rogatien Vachon, Pierre Larouche, Jacques Cossette, Réjean Houle, Robert Ritchie, the late Michel Brière, Eric Desjardins, Pierre and Sylvain Turgeon, to name only a few.

Some leaders of this major junior hockey league in Laval, Trois–Rivières and Shawinigan seem to be afraid to face a team and an organization from Abitibi–Témiscamingue. Mr. Speaker, if the Val d'Or drill operators are refused a team for Val d'Or on August 11, I suggest that the league change its name to the Québec Monopoly Junior Hockey League (QMJHL).

• (1410)

[*English*]

THE ENVIRONMENT

VISIT OF U. S. SENATOR MITCHELL

Mr. Stan Darling (Parry Sound—Muskoka): Mr. Speaker, Canadians across this country were pleased to hear the news that the United States would bring in new laws to protect our mutual environment. This is certainly something that we are looking forward to. Parliamentarians in this House are delighted to see our American counterparts taking a genuine interest in our concerns over acid rain.

Tomorrow is especially remarkable since Canadians will welcome Senator George Mitchell, the majority House Leader in the U.S. Senate, to our capital. As a member of the Environment Committee, I look forward to his appearance at our committee hearing on Tuesday. We have in Senator Mitchell a politician who is not only determined to cleaning up the environment but, because of his position, he is also capable of making it a reality.

The Senator has long been deeply concerned with the preservation of a quality environment. He is well aware of the damages acid rain can inflict. His state, the State of Maine, has long been a target of SO2 and NOx emissions. It is gratifying to see an ally in the driver's seat in the Senate.

I join all Canadians in wishing him every success in this important mission as he brings these proposals into law and as he visits Canada for two days where he will be making a major speech in Toronto on Wednesday.

* * *

INDIAN AFFAIRS

CANADIAN NATIVE ARTS FOUNDATION

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, the Canadian Native Arts Foundation was founded in 1985 by John Kim Bell, the first native North American symphony conductor.

The foundation provides scholarships to help native young people pursue studies in the arts. Since 1985, $250,000 in scholarships have been awarded to promising native students.

In October of this year, the foundation plans to take a successful ballet *The Land of Spirits* on national tour. This ballet showcases the richness of native Canadian cultures and deals with the devastating problems of alcohol. In addition to regular audiences, the foundation plans to provide special matinee showings to 18,000 native young people from reserves across Canada.

To date the foundation has raised $1.1 million from private sources and has sought support from the Secretary of State and from the Department of Communications for matching funds.

The proposal has been backed up by four cabinet Ministers by letter and by a former Minister of Indian Affairs.

I call upon the Secretary of State (Mr. Weiner) and the Minister of Communications (Mr. Masse) to act immediately so that matching funds will be made available to this project prior to the tour taking place in October.

* * *

CANADA POST CORPORATION

IMPACT OF SUPERMAILBOXES

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, Canada Post Corporation recently announced its first profit in 30 years as a result of over charging Canadians and reducing services.

In my riding of York North door-to-door mail delivery in all new subdivisions, whether in Vaughan, Aurora, King City or Richmond Hill, have been replaced by supermailboxes. This policy seriously affects all residents in my riding and particularly the blind.

As a Member of the parliamentary Standing Committee on Human Rights and the Status of Disabled Persons, I cannot accept a corporate plan that does not provide boxes large enough for Braille transcripts or talking book material. The blind residents must cope with the dangers of heavy traffic at the supermailbox sites. I am requesting that the Government immediately guarantee home delivery for all blind, visually impaired, and other gifted Canadians.

The Government's obsession with profit making has created two classes of citizens: those who receive door-to-door delivery and those who collect their own mail.

The Government must return to a corporate plan that once and for all places people first.

* * *

POLLUTION

CANADA–U.S. STUDY

Mr. Ken Atkinson (St. Catharines): Mr. Speaker, newspaper reports over the weekend stated that a Canada–U.S. Government study shows that PCBs, Mirex, and 28 other hazardous chemicals are accumulating in higher and higher concentrations in the Niagara River as it flows from Lake Erie to Lake Ontario.

The study also shows that seven of the chemicals including PCBs and mercury are showing up at the river's mouth at Lake Ontario in concentrations exceeding government water quality standards.

This study is to be considered by officials from both countries at a meeting on Tuesday, in connection with the 1987 Protocol signed by the Governments of Ontario, New York, the United States, and Canada, which approved a 10–year plan to cut in half the volume of chemicals polluting the Niagara River.

This joint report serves to illustrate that the time for talk is over. The four Governments must now take steps to see that this problem is corrected as soon as possible, in order to protect the health of the people in southern Ontario and upper New York State.

* * *

CANADA PENSION PLAN

REQUEST FOR REVISION

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I would like the House to take a moment to think about Jenny Swanson, a constituent. She is in her early sixties, unmarried, and formerly a waitress. Displaced by younger workers, she is on the Canada Pension's early retirement provision and receives a paltry $65 per month. Her friend, the same age, is married, has never worked, never contributed to Canada Pension Plan, but has a husband aged 65. As a result, she collects more than twice as much as Jenny does each month.

Surely it is time for the pension system in this country to be revised with a view to providing a liveable pension for the many, many Jennys in Canada who are trying to exist on their Canada Pension Plan. Instead of talking about equality and fairness, the Government has to act.

* * *

ABORTION

REQUEST FOR LEGISLATION

Mr. Ross Belsher (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the issue of abortion remains unsettled. When the Supreme Court struck down the previous law, the Prime Minister (Mr. Mulroney) gave us in this Chamber the opportunity to vote freely on this very important matter.

Unfortunately, nothing was resolved by our vote on the motion and amendments presented to us at the time. Then the appeal of the Borowski case was dismissed by the Supreme Court on the grounds that it was moot. Their decision stated that:

> The Court would, if it exercised its discretion, pre–empt a possible decision of Parliament, by dictating the form of legislation it should enact.

The ball is clearly in our court, and the Canadian public is expecting us to come to grips with this matter. Let us not fall into the trap of those who say we do not need a law. I say: Let us get on with it.

ORAL QUESTION PERIOD

[*Translation*]

EXTERNAL AFFAIRS

EVENTS IN THE PEOPLE'S REPUBLIC OF CHINA–INDIGNATION OF CANADA–GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. On the weekend, I met several leaders of the Chinese community in Vancouver and a number of Chinese students who are currently in Canada for their studies. I am concerned about the fact that our country has yet to translate the general indignation expressed unanimously by the House of Commons into concrete action. What has happened to the plan to have the United Nations intervene to express international sentiment against the repression in China? Where is the resolution for a Canadian initiative? And similarly, why has the Canadian Government not yet taken con-

crete steps to have the international business community take retaliatory action against China, especially in the high tech industry?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I believe that last week, the Right Hon. Leader of the Opposition had an opportunity to speak directly to our ambassador in China, Mr. Drake, who was recalled to Canada for consultations. Mr. Drake met several Members of this House. Following our consultations with Mr. Drake and with others we had a national forum with a number of Canadians, including China experts—the Government is now preparing the next phase in its response to the events in China. I hope to have a chance to inform the House of the details of this position later this week.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I have the utmost respect for Earl Drake, whom I have known for 25 years, and I know his views on the bilateral relationship between China and Canada, but I believe that we must explore above all the possibility of collective action in the economic sphere.

[*English*]

FUTURE OF HONG KONG

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have listened to the Government carefully. I have not heard Canada yet call for strong international action from the International Monetary Fund or from the World Bank. I have not heard Canada talk about cutting off economic aid. In the Minister's own words, we cannot have business as usual.

• (1420)

In that context, I have recently raised with the Minister on the floor of the House of Commons the issue of Hong Kong. My constituents, in particular, and members of the Chinese Canadian community across Canada are very concerned about the future of Hong Kong.

Will the Government, through the Minister, place on the next agenda of the meeting of Commonwealth Heads of Government the issue of Hong Kong which is destined to fall under Chinese jurisdiction in 1997?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, that is a very interesting suggestion and I think that the only appropriate thing I could do in the moments after the suggestion has been made is undertake to consider it seriously.

If we think it would be possible for a constructive discussion to ensue at the meeting of the Commonwealth Heads of Government we will do that. As the Right Hon. Leader of the Opposition knows, that meeting will in fact be in Asia this year, so it may well be a particularly appropriate venue for that kind of discussion.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I hope the Minister pursues that, and I thank him for his constructive answer.

SPECIAL PROGRAM FOR CHINESE STUDENTS IN CANADA

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I want to direct my final question, if I might, on the same general subject to the Minister of Employment and Immigration.

Again I stress that the Opposition has attempted to support the Government in its reaction to China as best we can in a constructive way here in the House of Commons. However, the Minister's program for Chinese students living in Canada is totally confusing to the students with whom I met again this weekend. They do not understand the Minister's multiple option program. With all the chaos in China the least these students can expect is some clarity in Canada.

I want to ask the Minister a question that she has been asked on a number of occasions here in the House of Commons by my colleagues to which she has not yet given, in our opinion, a satisfactory answer.

Why has she not yet introduced a clear, unequivocal, categorical, special administrative program to deal with Chinese students living in Canada? She should eliminate the confusion, suggest a response to them rather than give them this loose series of options, and somehow give them some feeling of security in a very uncertain situation.

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, our Department has done a number of things. The Right Hon. Member could assist us in one regard. We have been setting up information seminars across the country for Chinese nationals, not only the students but other Chinese nationals in the country, who want to consider their choices.

I, too, met with leaders of the Chinese community and with Chinese students this weekend. We took the further step of establishing continuing consultation with the National Council which is working very closely with nationals in Canada.

I believe that the answers we gave them met their requests to their satisfaction. However, that does not mean that there is not more that we can do. That is why the information seminars have been important. We are prepared to extend that in terms of providing additional information.

The reason for the visa extension is to ensure that all the Chinese nationals in Canada have the time to make an appropriate decision. Until we consult as fully as we can, I think that we have done a good job, but we are prepared to do more.

* * *

[*Translation*]

FINANCE

NEW SALES TAX—GOVERNMENT'S GOAL

Mr. Douglas Young (Gloucester): Mr. Speaker, until quite recently the Minister of Finance kept repeating that the present federal sales tax had three basic flaws, including the following one, which I quote from his folder, published under the title: *Goods and Services Tax*:

> The current federal sales tax is hidden.

Mr. Speaker, my question for the Minister of Finance is this: Is it part of his Government's hidden agenda to use this hidden tax, which can be increased at any time, unilaterally and invisibly, in order to empty the pockets of Canadian taxpayers in the years to come?

[*English*]

Hon. Michael Wilson (Minister of Finance): Absolutely not, Mr. Speaker. I think I have made it very clear that the existing tax is hidden. There is a 13.5 per cent rate and it is buried in the middle of the production process. The new goods and services tax will be levied at the retail level at 9 per cent, and it will be very clear to Canadians what that tax rate is.

Let me remind the Hon. Member of the current effective federal tax rates at the retail level. For household appliances the lowest rate is 6.05 per cent and the highest rate is 12.67 per cent; for kitchen utensils the low rate is 3.82 per cent and the high is 10.72 per cent.

The point I am making is that currently the consumer cannot know what the tax burden is. Under the new system it will be very clear; it will be 9 per cent.

VISIBILITY OF NATIONAL SALES TAX

Mr. Douglas Young (Gloucester): Mr. Speaker, all the proposals for tax reform have called for a visible national sales tax. The only thing visible about the present position of the Minister of Finance is that because provinces refused to be coerced in April to accept a take it or leave it deal, the Minister decided to do the sneaky thing; in other words, do the deal and then hide it from everybody, all the time publishing pamphlets and insisting that it is going to be visible.

Will the Minister stand in his place today and demonstrate that he is capable of keeping his word and tell us unequivocally that the tax will be visible, that he will do what he said he was going to do as late as April 27 in his own pamphlet?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the 9 per cent tax rate will be quite clear. It will be 9 per cent on all taxable items for the consumer. Let me give another example to the Hon. Member. On office furniture today the low rate is 7.32 per cent and the high is 10.77 per cent. It is quite impossible for a consumer to know what the tax burden is today, but the tax burden under the new system will be 9 per cent.

RELEASE OF TECHNICAL PAPER

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is also for the Minister of Finance.

The Minister of Finance has made frequent reference in this House and outside the House to a technical paper which he hopes to have released by the end of this month. In fact, in *Hansard* of June 13 he is reported as saying, in response to a question from my Leader, that the technical paper would be out very shortly. He said:

> That will be set out very plainly later on this month.

Since he said this technical paper would be out before the end of the month, I want to know whether or not the Minister will keep his promise. Will that technical paper

be tabled here in the House of Commons before we recess later this week?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we will not be able to make the end of June date. We expect to have the paper out in a very short period of time, but we are not going to be able to make it for the end of this month. We believe that it is important to get the technical detail correct, and that is the reason for the delay.

GOVERNMENT RESPONSE

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, the Minister and his Department have been planning the tax for many, many months, indeed over a year. He has been promising to have this technical paper available before the end of the month.

Is the real reason he is not going to table it in the House of Commons not that he wants to avoid the heat of an opposition attack and the heat of an attack by the people of Canada by tabling it in the middle of the summer?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am sure that the Hon. Member realizes the importance of a technical paper. It is complex. It needs to have the right detail for the practitioners to be able to base their conclusions and judgments on when they provide us with advice which we will use to develop the final legislation. That is the reason for the delay.

Mr. Nystrom: Mr. Speaker, the only reason for the delay is that the Conservative Party wants to keep this invisible from the people of Canada.

[*Translation*]

MINISTER'S ALLEGED POLITICAL COMMITMENT

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, the Minister has now broken three political commitments: first, the national sales tax was to be visibile; second, it was to be revenue neutral; and third, the personal surtax was to be eliminated.

Can he confirm now that he has just broken the fourth political commitment, which was to make his technical document public before Parliament adjourns?

• (1430)

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member suggests that we are trying to hide this. There will be plenty of time during the course of the committee hearings, which I understand the finance committee chairman is proposing to have before legislation comes to the House. Then there will be the debate at the time the legislation is in the House.

There will be all sorts of opportunities for the Hon. Member and his colleagues to debate this matter fully.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF TRADE AND COMMERCE OF ZIMBABWE

Mr. Speaker: I wish to draw to the attention of Hon. Members the presence in the gallery of Dr. Oliver Musa Munyaradzi, Minister of Trade and Commerce of Zimbabwe.

Some Hon. Members: Hear, hear.

* * *

IMMIGRATION

REQUEST FOR ADMINISTRATIVE REVIEW FOR REFUGEE CLAIMANTS

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of Employment and Immigration. This morning Members from both sides of the House heard very moving testimony from 50 refugee claimants living in Montreal. They came to Ottawa as representatives of the 125,000 people trapped in this huge backlog. Because of the prolonged delay in reviewing their cases, the claimants have been separated from their families and children, some for up to periods of four to five years.

Given that this is but one of the human dilemmas in this backlog, and given that a case by case review, which can take up to two or three years, is lengthy, expensive and a taxing review on the country, will the Minister consider a middle ground, an administrative review, so that families will not have to wait seven to 10 years to be reunited.

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I think it is important to point out that where the United Nations High Commissioner for Refugees or a Canadian visa officer is of the opinion that an individual is in danger, measures can be taken to bring that person to Canada. However, as a general rule in processing the backlog cases, we intend to

deal with the claimant in Canada before making any decisions concerning dependents abroad.

I would remind the Hon. Member that we have insured that those who are in Canada can work, which should help them in terms of supporting their families at home. We intend to move on the backlog as expeditiously as possible.

REQUEST FOR ACTION ON BACKLOG

Mr. Sergio Marchi (York West): Mr. Speaker, that is what the Government said two or three years ago, move expeditiously. Now at the very best, that backlog processing will not start until probably the late summer or fall.

The Minister fully knows that these claimants have been in Canada for years, have established themselves in this country and formed the workforce backbone of many key sectors in Canada. I therefore ask the Minister, is it logical to spend taxpayers' dollars and go through the long exercise of removing and deporting these people when in fact levels may be increased next year and may possibly bring these people back? Is it not better to have an administrative review so that the Government and Ministers can say no to those who are clearly unworthy, and yes to those who are deserving and who are contributing to Canadian society?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I would remind the Hon. Member that one of the reasons there is a backlog is because the Members of his Party delayed the legislation for so long.

Let me say as well that there are many people in the world who have expressed an interest in coming to Canada. It is very important that people who come here come under the same rules, whether they come in the refugee stream or they come in the immigration stream. This country welcomes people coming to Canada as genuine refugees and as immigrants but we expect them all to come under the rule of law.

* * *

DISASTERS

REQUEST FOR JUDICIAL COMMISSION OF INQUIRY

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Minister of Transport and it concerns the Gander air crash.

As the Minister will know, the internationally respected American Air Line Pilots Association has now said that the Canadian Aviation Safety Board probe into the Gander air crash relied on evidence that was "fabricated, faulty, erroneous, and more to the point fabricated".

In light of this crucial new information from one of the most respected air safety organizations in the world, is the Minister now prepared to do the right thing and to finally call for a judicial commission of inquiry into the Gander air crash, the most tragic air accident ever to have occurred on Canadian soil? Will he do that now?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, the Member knows very well that about three months ago we referred the case to Mr. Justice Estey who is looking at all the documentation and at all that has been said or done about Gander air crash. Mr. Justice Estey normally should have recommended something to me this week, but he asked for an extension of his mandate for about one week. Within the next couple of weeks I should receive the report from Mr. Justice Estey, who will deal, if he wants, with the report given by the U.S. pilots association.

[*Translation*]

REQUEST FOR CLARIFICATION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I think that the House deserves some clarification. The Minister should be able to tell us today at least whether the Estey Commission, which is not a full commission of inquiry, will have the authority to review those documents, that is, the documents ALPA, the American agency, provided for us, and if so, is that the reason for the delay of several days, so that Mr. Estey can consider that highly important report on this very tragic accident?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, of course Judge Estey has the opportunity to consider the report you refer to here. He has the full power to do so in whatever way he likes. Is that the reason why he specially asked for an extension of about a week? I don't know! One thing is clear: he is completely free to consider the report, to use it or not, and once that is done, he will make the recommendation that he wishes to make to the Minister of Transport.

[*English*]

NON-SMOKERS' HEALTH ACT

ALLEGED CONFLICT OF INTEREST

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Deputy Prime Minister, better known as the former Prime Minister.

In light of information obtained under the Access to Information Act, Bill Neville, the Tory tobacco tout was given advance drafts of the regulations governing the Tobacco Products Control Act. This allowed him, through his lobbying efforts, to water down the health warnings to consumers in Canada while the health community did not become aware of the regulations until November, 1988. Can this Government justify one of its closest cronies, as a paid lobbyist of the tobacco industry, using his personal connections with the Government to influence their decisions? Is this not a clear case of conflict of interest?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, if the facts were at all as the Hon. Member presents them, I would be very concerned myself. The facts are not however.

The Government has a very clear policy of sending out draft regulations for comment by the private sector, by industries which are affected and also by public interest groups which may have an interest in responding. An information letter was sent out on November 7 of last year. It was distributed widely, encouraging various groups to make presentations to the Government with regard to the draft regulations. Among the groups which did so was the Non-Smokers' Rights Association, whose brief dated November 16, 1988, dealt specifically with this.

If Mr. Neville was so effective in this case in influencing the Government's actions, perhaps the hon. gentleman could explain why tobacco taxes went up $4 a carton in the Minister of Finance's Budget earlier this year.

GOVERNMENT RESPONSE

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my supplementary question is for the deputy Deputy Prime Minister. Last year, 35,000 Canadians died prematurely from tobacco related illnesses. Tobacco is the only product in use today in Canada which causes death when used exactly as described.

How can this Government put the success of Bill Neville's lobbying activities ahead of the health concerns of Canadians?

• (1440)

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, the answer to that is very simple. We have not. Canada has the stiffest anti-smoking legislation of anywhere in the world. If the hon. gentleman disputes that, let him simply tell the House which country he believes has legislation more progressive than Canada's.

What is more, this afternoon, we will be asking for unanimous consent from all Parties to pass Bill C-27. I hope the Hon. Member will be there to ensure that it gets passed by this House of Commons this afternoon.

* * *

THE ENVIRONMENT

CONTAMINATION OF NIAGARA RIVER

Mr. Ken Atkinson (St. Catharines): Mr. Speaker, my question is for the Minister of the Environment. There are reports that a study prepared for a meeting between Canadian and U.S. officials on Tuesday shows that PCBs, mirex and 28 other hazardous chemicals are accumulating in higher and higher proportions as the Niagara River flows from Lake Erie to Lake Ontario. It is assumed that the toxic dumps on the U.S. side and the discharge pipes along the shore add these chemicals to the river. A protocol signed by New York State, Ontario, the U.S. Government and the Canadian Government calls for the volume of chemicals in the river to be cut in half by 1997.

Can the Minister tell the House what action the Government intends to take in order to see that this goal is met?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, Canadian and U.S. environmental agencies are committed to the Niagara River toxic management plan in order to identify the sources of pollution in the river and to develop adequate remedial strategies.

From 1982 to 1987, New York State and Ontario respectively have reported 88 per cent and 60 per cent reductions in discharge from municipal and industrial facilities. It is suspected there are other sources involved as far as pollution is concerned in this river, mainly hazardous waste sites. Both agencies are committed to

identifying new sources and are reporting publicly a review of the progress.

* * *

NON-SMOKERS' HEALTH ACT

CHANGES TO RECOMMENDATIONS

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, my question is for the Minister of National Health and Welfare. In June last year Parliament passed an excellent Bill, the Tobacco Products Control Act. Shortly thereafter and up until the last election—and I would like the Minister to be conscious of the time—on several occasions, not only in November but in July and August, Mr. Neville, former Principal Secretary to former Prime Minister Clark, speech writer for Prime Minister Mulroney, and President of the Canadian Tobacco Manufacturers' Council, intervened on several occasions and had his way in eliminating two important recommendations.

Some Hon. Members: Question.

Mr. Pagtakhan: Did the former Minister or the current Minister know of secret interventions taking place, that health groups were specifically excluded and that health officials did indeed cave in to the intervention by Mr. Neville?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, when the Hon. Member cited Mr. Neville's *curriculum vitae*, he overlooked one important element of his past. He was also Executive Assistant to the Hon. Judy LaMarsh, the then Liberal Minister of Health. He has reformed since that time.

Mr. Allmand: How many years ago?

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Ms. Clancy: Everyone has some good.

Mr. Beatty: There were no secret meetings. A bulletin was distributed widely both to the industry, to people, the Non-Smokers' Rights Association and others, inviting them to make recommendations with regard to draft regulations. That is part of the established procedure for regulation making. Indeed, two meetings were held with the Non-Smokers' Rights Association in order to get its input. On November 16, during the federal election, the Non-Smokers' Rights Association submitted a brief to the Government—hardly clandestine, hardly improper, quite effective as it turned out.

REQUEST FOR CHANGES IN LABELLING

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, the Non-Smokers' Rights Association has indicated that cigarettes be labelled as addictive. Second, that the arrow circle symbol be included on the package. These are two important considerations, Mr. Minister. Yet, following the intervention by Mr. Neville these two important considerations were omitted.

Will the new Minister now give an assurance to the House that the Non-Smokers' Rights Association, other health association and the public at large will be given equal access as Mr. Neville to rebuttal?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, I can assure the Hon. Member that not only will non-smokers' groups be given equal access, they have been.

The Hon. Member raises the question of whether or not a warning should state that tobacco is addictive. He apparently is not aware of the fact that in January of this year my Department was in touch with the Royal Society of Canada asking it to do a study precisely on that.

Ms. Copps: You don't know if it is addictive or not?

Mr. Beatty: In August this year we will be receiving the results of that study. There will be a second round of regulations later this year, and depending on the results of those recommendations the second round of regulations may well include just such a warning on packages.

* * *

TRANSPORTATION

POSSIBLE SALE OF VIA TRANSCONTINENTAL SERVICE

Mr. Joe Fontana (London East): Mr. Speaker, my question is for the Minister of Transport. Last week at the Transport Committee meeting Mr. Hugh Horner, Vice-Chairman of VIA, told the committee that he gave his personal assurances to western tour operators that VIA would be a continued service in the West even if it meant privatization. Today we have learned that the Government is considering selling the VIA transcontinental service to a luxury company for wealthy tourists at the expense of average Canadians who want, need and

use this service. I did not think that the Government needed to be told this, but in Canada travel is not a luxury, it is a necessity.

Would the Minister please inform the House exactly what its plans are for VIA, will it be protected, or is this Government putting VIA on the auction block to the highest bidder and to hell with all Canadians?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, the Member knows very well what I have repeatedly said in this House, that VIA Rail will propose some options. This will be done, I hope, within the next couple of weeks. When it is done the Government will decide about any route in Canada. Once again, it has to be within the proposal which will be made by VIA Rail.

Dealing with the question of private ownership, if it is option by VIA Rail, the Government will consider that option, of course.

Mr. Speaker: I, of course, will recognize the Hon. Member for a supplementary and I ask him that he confine himself to the appropriate language in the House.

Mr. Fontana: I do apologize, Mr. Speaker.

REQUEST FOR PUBLIC HEARINGS ON CANCELLATION OF ROUTES

Mr. Joe Fontana (London East): I say again the report will come to this House conveniently after we have left. It is very clear that with some new rolling stock and a little creative marketing many of VIA's routes can be very profitable. In fact, VIA's own statistics point out that the system is well used on an average of 54 per cent to 60 per cent across Canada.

Will the Minister now assure this House that no route will be cancelled through orders-in-council until public hearings are held? Or is the Minister now telling Canadians that even if you use it you are going to lose it?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, obviously I will not give a guarantee of this kind.

Ms. Copps: Why.

Mr. Bouchard (Roberval): What I will say is there are many options which could be proposed. One option is by order-in-council. Another option is the National Transportation Agency. We will do our best to give the best service but once again there will be no guarantee of any kind to this Hon. Member.

NATIONAL REVENUE

REQUEST FOR JUDICIAL INQUIRY

Mr. Jim Karpoff (Surrey North): Mr. Speaker, in the absence of the Prime Minister I direct my question to the Minister of Justice.

Pattigate continues to grow. On Friday the Premier of Ontario was forced to call a judicial inquiry into the relationship between the Tridel Corporation, Patricia Starr and any member or official of his Government.

The federal Government has jurisdiction in the Starr case in the issuing and abuse of the registered charity number, the improper contributions to the Liberal and Conservative Parties and candidates, and the diversion of CMHC funds into Patti's political slush funds. Will the Minister of Justice now order a parallel judicial inquiry into all federal matters pertaining to the Patricia Starr case?

• (1450)

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, as the Hon. Member knows, the Department of National Revenue, upon finding out that there were some irregularities taking place by individuals within the organization, immediately instigated a full federal audit with total and absolute co-operation of the council itself. Since then, of course, there have been numerous provincial investigations, one a judicial inquiry, called as recently as last Friday by the Premier. At this point in time, I believe it would be improper for anyone else to make any specific comment on the matter in order that it not prejudge or prejudice the inquiry now in place.

I can tell the Hon. Member and the House that the co-operation is a two way street. We are receiving full co-operation from the council, and we, of course, in the Department of National Revenue, will continue with our audit and will obviously co-operate fully with the provincial inquiry.

GOVERNMENT RESPONSE

Mr. Jim Karpoff (Surrey North): Mr. Speaker, my supplementary question is again directed to the Minister of Justice. There has been a Revenue Department review and it issued a charity number. There has been a CMHC review and it could not be detected that funds were being misappropriated into a political slush fund. This involves more than one federal government De-

partment. In view of this, why will the Government not now start its own judicial inquiry.

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, a number of points in the Hon. Member's question are erroneous. First, it is not CMHC money. Second, when he talked about a federal review or audit, that was during the course of time in preparation for giving the council its charitable status which was several years ago. The new audit only commenced in May. That audit continues and will of course be co-operating with the provincial inquiry as well.

* * *

SUPPLY AND SERVICES

CELEBRATION OF TWENTIETH ANNIVERSARY OF DEPARTMENT

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, my question is for the Minister responsible for Supply and Services. Recently, it was reported that the Department of Supply and Services has budgeted $200,000 for twentieth anniversary celebrations over the summer. We have also learned that the Minister's Department is launching a new graphic look to project the image of a modern, dynamic Department. In light of the Government's stated commitment to spending restraint, could the Minister please outline how and why this money is being spent on a twentieth anniversary, and what are the costs associated with the design and eventual implementation of the new Department of Supply and Services logo?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, the Minister of Supply and Services is currently in Winnipeg on government business. I will take the specific question as notice for the Minister, who I am sure will be able to answer in a more detailed manner. However I can tell the Hon. Member, as a former Minister of Supply and Services, that that Department, as do all the others, continues to co-operate with the Government-wide effort of fiscal restraint and fiscal responsibility, something that we did not see on the other side of the House when they were in Government.

Mrs. Gaffney: Mr. Speaker, with an answer like that, I think that the Department of Supply and Services needs more than just an image makeover, especially since its only client is the Government itself.

MINISTER'S POSITION

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, how can the Minister justify spending taxpayers' money on this kind of fluff when personally he has claimed that the deficit reduction is the number one concern of his Department?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, with questions like that from Members on the Liberal side, I think they need an image workover more than the Department of Supply and Services.

Some Hon. Members: Oh, oh!

Mr. Jelinek: The fact is that the Department of Supply and Services has hundreds of thousands of clients in the form of businesses, small, medium and large, across Canada and the Department is constantly working on trying to open itself up to being fairer and more equitable and straightforward when doing business with all those clients. The Hon. Member should do her homework before she asks further questions on this matter.

* * *

THE ENVIRONMENT

DISCHARGE FROM PULP AND PAPER MILLS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Minister of the Environment. Almost one year ago, his Department published a 600-page document which was an absolutely damning indictment of the tragic state of pulp and paper discharge in Canada. We now know that over the last year, the Minister has not acted on the report and in fact, recently his colleague, in response to the problem of pulp and paper discharge on the West Coast, did not close down the mill but closed down the fishing industry. Most specifically, what has the Minister and the Government done to implement the specific recommendations contained in this 600-page report published by his Department almost a year ago?

[*Translation*]

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, the Department of the Environment is now completing a nation-wide sampling program to establish the level of pollution by furans and dioxins. I announced, and I do so again today, Mr. Speaker, that this is the first step towards the implementation of a set of regulatory

measures that will control very strictly, starting next year, the levels of dioxin and furan emissions in Canada's pulp and paper mills.

Ms. Copps: Mr. Speaker, the situation in Canada's pulp and paper mills is a crying shame!

[*English*]

POSITION OF MINISTER

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have a specific question for the Minister. He says that he will prepare new regulations. Can he explain why, according to information we received today from his own Department, every single pulp and paper mill in British Columbia was in violation of current discharge requirements over the past year? Since this report was published a year ago, every single pulp and paper mill in British Columbia has been in violation of the current laws. Why does the Minister not charge the companies instead of making the fishermen pay for it?

[*Translation*]

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, the Hon. Member's emotional reaction is no substitute for the facts, which are very well known. We have a set of regulations that were adopted under the Fisheries Act in 1971, which is not effective and does not apply to the majority of pulp and paper mills in Canada. We are now drafting long-awaited regulations after 15 to 20 years of Liberal inefficiency and neglect. We are trying to fill that gap, Mr. Speaker, and within the next two years, we will have the strictest measures ever to control pollution by pulp and paper mills.

* * *

[*English*]

TRADE

CONTINENTAL FREE TRADE AGREEMENT – MINISTER'S POSITION

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, my question is directed to the Minister for International Trade. Is the Minister aware of the push to include Mexico in a continental free trade agreement? That push is being led by two U.S. Senators, Connie Mack and Richard Lugar, as well as a group of Canadian businessmen. What is the Minister's position on whether or not Canada agrees with an integrated economy through an extended Free Trade Agreement between Canada, the United States and the Government of Mexico?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, as we all know, the hon. gentleman goes to bed with nightmares of free trade with various countries ringing through his consciousness. The hon. gentleman reads *The Sunday Star* which says that pressure is mounting for free trade pact to include Mexico. I can tell the hon. gentleman that pressure is not mounting. There is no pressure. There is an absolute zero pounds per square inch of pressure on the Mexico question.

Mr. Barrett: Mr. Speaker, the nightmares and the pressure are not on me, they are on the Canadians who have already lost their jobs to Mexican workers because of the trade agreement.

EXTENSION OF FREE TRADE AGREEMENT

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, two American Senators, Senator Lugar and Senator Mack, are both pushing for an extended Free Trade Agreement. Both are powerful Senators. If there is a Free Trade Agreement between the United States and Mexico, goods made in Mexico will be allowed to come into Canada under the existing Free Trade Agreement. Will the Minister assure us that Canadians will not lose jobs because of that provision in the Free Trade Agreement?

• (1500)

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, it does not matter to us how many powerful U.S. Senators are for free trade with Mexico. They do not determine the policy of our country.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Crosbie: We do not care if Connie Mack is for free trade with Mexico. We do not even care if Harold Ballard is for free trade with Mexico. We are quite an independent Government.

"U.S. giant targets Quebec for a new plant". Alumex Incorporated, a giant California-based aluminium company will build a $1 billion aluminium refinery near Quebec with 500 jobs.

Put that in your pipe and smoke it.

Points of Order

NATIONAL DEFENCE

CHANGES IN PLANS UNDER THE BUDGET

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, my question is directed to the Minister of National Defence. The White Paper on National Defence made a tremendous commitment to defence in Canada. Unfortunately, one of the tragedies of the Budget was that some of the plans had tremendous changes made to them.

There was an estimate that roughly $54 billion was planned to be spent in the next 15 years. The present plans are anything but that.

Specifically, plans to modernize the Navy have been scrapped; plans to buy new main battle tanks for the Army have remained in the trenches; plans to procure the Maritime patrol aircraft and for the CF-18 attrition aircraft are in orbit. It is very unlikely that we will have 65,000 primary reserves in 15 years.

Can the Minister of National Defence tell the Canadian people, in view of the gap between the plans and the promises and the present commitment, where are we heading with defence policy? Are we going to change the roles and commitments of the Canadian Forces, or are we just going to rust out?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, the Hon. Member has apparently changed his opinion on the naval plans enunciated by the Government on the SSNs. I suggest that he sits in the Party that initiated rust-out for Canada's military.

I can bring to the Hon. Member's attention the fact that right now we are looking—

Ms. Copps: How are the new uniforms?

Mr. McKnight: The Hon. Member for Hamilton East obviously does not want me to answer the question. I would like to address her colleague.

The Hon. Member knows that the announcements that were made when the Budget was announced identified several projects that would not go ahead as enunciated. He is accurate in assessing the amount of some $54 billion that were to be spent over the next five years, which reduces our 15-year plan by approximately $20 billion plus. Therefore, the initiatives that this Government can take in some procurements are delayed, some are cancelled, and some are put on pause.

We are going ahead with the second phase of the frigate program. We are going ahead with 12 mine countermeasure vessels, for which the project definition was announced a few days ago. We are going ahead with low-level air defence. We are going ahead with building the primary reserves. We may not be able to meet the announced—

* * *

POINTS OF ORDER

21ST ANNIVERSARY OF MEMBERS ELECTED IN 1968

The Acting Speaker (Mr. Paproski): The Hon. Member for Algoma (Mr. Foster) on a point of order.

Mr. Maurice Foster (Algoma): Mr. Speaker, I wish to call the attention of the House to the fact that 21 years ago yesterday 72 very distinguished Members of Parliament were elected in 1968.

Nine of the those Members are still in the House of Commons. The group not only includes the Deputy Prime Minister (Mr. Mazankowski) and the Leader of the NDP (Mr. Broadbent), but yourself, the Deputy Chairman of Committees of the Whole House. There were also other distinguished Members, the Lieutenant Governor for the Province of Ontario, a former Premier from Newfoundland, a former Speaker of the House of Commons, many Senators and many Members.

However, most important are the nine survivors. Besides the Deputy Prime Minister and the Leader of the NDP and yourself, the Deputy Chairman of Committees of the Whole House, there is the Hon. Member for Davenport (Mr. Caccia), the Hon. Member for York Centre (Mr. Kaplan), the Hon. Member for Yorkton—Melville (Mr. Nystrom), the Hon. Member for Regina—Lumsden (Mr. Benjamin), the Hon. Member for Algoma (Mr. Foster), and one other Member whom we call a premature, the Hon. Member for Papineau—St-Michel (Mr. Ouellet), who was elected in a by-election in the fall of 1967.

I know that every Member in the House would want to congratulate those most distinguished Members of Parliament for surviving so long. We wish to express our appreciation to the Speaker for tendering such a lovely luncheon for such a distinguished group today.

Some Hon. Members: Oh!

Mr. Foster: We know that every Member of the House will want to wish those nine survivors a very happy birthday on their 21st anniversary.

The Acting Speaker (Mr. Paproski): I want to thank the Hon. Member for Algoma for bringing it to our attention.

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, I rise on the same point of order. As one of those gallant nine survivors of the Class of '68, I wish to say that although it was our 21st birthday yesterday, none of us look it or feel it. However, I would counsel all other Hon. Members to come to any of the nine of us for sage advice about surviving.

THE OFFICIAL REPORT—VERIFICATION OF COMMENTS REQUESTED

Mrs. Shirley Maheu (Saint-Laurent): Mr. Speaker, I wonder if I could indulge the Chair with a request that the June 22nd *Hansard* be verified at page 3557. The Hon. Member for Vancouver East (Ms. Mitchell) stated: " —that the present critic of multiculturalism of" our "Party voted against" the idea of forming a separate sub-committee or standing committee on multiculturalism.

I have never done that. I request that the Chair verify the comments in order to see in what context the remarks were made and, if need be, that they be retracted.

The Acting Speaker (Mr. Paproski): The Chair has taken note.

GOVERNMENT ORDERS

[*English*]

BANK ACT

MEASURE TO AMEND

The House resumed from Monday, June 19, consideration of the motion of Mr. Loiselle that Bill C-9, an Act to amend the Bank Act, be read the second time and referred to the Standing Committee on Finance, and the amendment of Mr. Rodriquez:

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

"Bill C-9, an Act to amend the Bank Act, be not now read the second time but that it be read a second time this day six months hence".

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, I rise to speak in opposition to Bill C-9, the amendments to the Bank Act. This Bill, with the exception of including small businesses in the Bill, is basically the same as Bill C-140 which died on the Order Paper with the last federal election.

I want to point out to the House that although I was not a Member of the debates and did not take part in those debates, my colleagues in the New Democratic Party opposed that Bill forcefully. Our opposition remains steadfast in light of this new piece of proposed legislation.

There are a number of reasons why we oppose this Bill. First, the Bill provides few guarantees for customers and small businesses against unfair service charges that have been applied by the banks. It does nothing to keep the fees and service charges under some degree of control.

We oppose the basic thrust and the basic principle of the Bill which is that the banks themselves can actually be trusted to keep service charges in line. The Bill is proposing that the banks police themselves. To a great extent, that is like asking the fox to guard the chicken coop.

• (1510)

The Government took the same position on interest charges on credit cards. Although the charges did come down initially when Parliament first put on the pressure, those charges have climbed right back up, if one cares to look at what has happened in the credit card industry. The concept of voluntary compliance or voluntary policing is a very weak concept. It has shown to be very ineffective.

I would like to point out some basic weaknesses in the Bill. With respect to voluntary compliance, the legislation does not force the banks to do anything about their service fees except to disclose the charges and to notify their customers about the increases and the new fees. In the case of small business, the banks are not required to disclose all their charges but only those that are defined in a core list.

I must say that the Government seems to be basing this approach on the assumption that the disclosure in the notification of charges will sort of open up the competition. However, I would like to point out that this really has very little impact in terms of a customer's ability to move from one bank to another. For example, if somebody has a mortgage or an outstanding loan and finds they have had a service charge applied to that item, it will be very costly for them to pull up stakes and move the business elsewhere. They are locked into the mort-

gage or the loan. They would just have to grin and bear it. There is very little latitude for the small business owner or for anyone who has a mortgage simply to pull up stakes without cost to themselves or to their business operations.

In that respect this Bill does very little in terms of opening up the concept of competitive rates between banks. The past record of the banks in terms of voluntary compliance has not been very good. The Royal Bank has a net income of over $700 million. The income of the Bank of Nova Scotia last year was some $506 million. The Canadian Imperial Bank of Commerce had record earnings of $591 million. Despite these massive profits the banks did not hesitate to raise their service charges.

I will give an example of that, Mr. Speaker. The Royal Bank of Canada raised 15 of its service fees on November 1 from 4 per cent to 6 per cent. It raised the cost of writing an NSF cheque up to 12 per cent despite the fact that it had a banner year last year in terms of its profits. The Bank of Nova Scotia and the Imperial Bank of Commerce have also raised their service charges, again despite banner years in terms of the banking industry.

Those types of charges are tough on small businesses. I have spent quite a bit of time talking to small business owners in my constituency, the constituency of Okanagan—Shuswap. There are two major concerns that the owners and partners in small businesses have. The first is with respect to high interest rates. The second is with respect to the many hidden charges that are foisted upon small businesses. They are very concerned about the fact that the banking industry does not seem or appear to be the friend of the small business person. They do not appear to be there to help in making the small business sector flourish.

There is a lot of concern in my constituency, and probably in the constituency of every Member of this House. The small business community is concerned about the high cost of borrowing money from the banks and of the high cost of simply doing business. As you will know, Mr. Speaker, just about every small business across Canada is in some respect reliant on the banking community in order to operate.

In 1987 five major banks, the Scotia Bank, the Canadian Imperial Bank of Commerce, the Royal Bank, the Bank of Montreal and the Toronto–Dominion Bank, collected over $1 billion from bank service charges from the small business community, the investment community and people who have mortgages. That is a great deal of money. I would suggest that that level of profit–taking indicates that perhaps the service charges are too onerous and have to be brought down. In fact, they are unfair to the business community and to the taxpayer.

I wish to deal now with the charges that the Bill before us does not seek to remove. I refer to charges for deposits and withdrawals. To me, and I am sure to most Members, those are core services of a bank. One deposits money for safekeeping. When the time comes at which the money is needed, it is withdrawn. It is a core service. There should be no reason to apply service charges to this fundamental level of service that the bank is established to allow.

In terms of the service charge for cashing an NSF cheque, I remind the House that this charge was called offensive by the last Minister of Finance. Yet the banks, such as Toronto–Dominion, did not agree to comply voluntarily. It still charges customers for unknowingly cashing an NSF cheque. When a business cashes its cheques it has no idea which cheque will not be sufficiently funded. Yet that business is penalized by the bank for submitting such a cheque which in all innocence fails to be negotiable security.

The Bill does not protect the small business community from being charged. Quite frankly, in some areas of the country where the economy is marginal, some small businesses have a number of NSF cheques. Thus it becomes a burdensome charge on small business to have to pay a penalty for processing NSF cheques.

The legislation before us does not remove the charge for closing the account. This is also something we consider to be a core service charge of a bank. There are charges for going below a minimum balance and for providing the current balance of an account. If an individual or a company representative comes into a

bank and wants to find out what their current account level is, why should they be charged? That too is a core service.

Customers are being charged for errors made by the bank itself in the administration of an account. There is no reason that a service charge should be applied to that. The Bill does not prohibit any of these charges. It does not force the banks to provide a basic no-frills account which would provide these services free of charge.

The third point I would like to touch on is self-monitoring by the banks. One of the difficult aspects of this Bill—in fact it is a farce—is that the banks monitor themselves to see whether they have complied voluntarily in bringing their services into line. Again, it is a case of the fox being charged with guarding the chickens.

How can one expect the level of accuracy to be what it should be in terms of whether or not they have in fact complied? If customers are not happy with the way their complaints are dealt with, they should be allowed to contact the office of the Superintendent of Financial Institutions in Ottawa. However, this is not a real guarantee because the Superintendent of Financial Institutions does not have a mandate to protect consumers. The Bill would only create more pressures for an agency which is already overworked and in fact is not established to do that kind of job. The Superintendent's job is to ensure that the banks stay in business, not that they satisfy consumers. In that respect, it is almost a conflict of interest.

• (1520)

Those are three critical areas of weakness in this legislation. Because of those weaknesses, I think the legislation should not see the light of day and in fact the Bill should be withdrawn.

We must accept the recommendations of the Finance Committee which has done a commendable task in uncovering many of the problems we are having with respect to the commercial banking industry. We should accept the recommendation to require the provision of a free basic, or core banking service which is, after all, the main reason why the banks were established originally. We should accept the recommendation to prohibit certain unfair charges which I have already mentioned, including minimum bank balances and charge backs for cashing NSF cheques.

We agreed with these recommendations but we also feel they do not go far enough. We would like to propose additional recommendations to those made by the Finance Committee. There should be a freeze on all bank service charges for one year. Bank service charges have increased over the past five years at an annual rate of 19 per cent, far above the inflation rate. That is far above the necessary rate of increase in order to simply cover the increased cost of living. It is unjustifiable.

The banks generate about $1 billion a year from these service charges. Therefore a very strong argument can be made that the banks have overcharged Canadian consumers and the small business community in Canada. I believe they should be required to give Canadian businesses and consumers a fair break.

Also, we would recommend the establishment of a financial services ombudsperson who would be empowered to perform customary advocacy and referee services as well as to referee and develop long-term policy advice. I think it is an excellent suggestion in light of the fact that we have seen very strong evidence that the banks have been guilty of overcharging Canadian consumers.

In the last Parliament my colleague, the Member for Nickel Belt (Mr. Rodriguez), proposed legislation that would involve many of these recommendations by the Finance Committee as well as the proposal for a one-year freeze on bank charges and the concept of a financial services ombudsperson. The Bill would have extended these guarantees to all consumers and small businesses. Based on those recommendations, we would like to see this current legislation withdrawn. The appropriate amendments and valued criticisms that the Finance Committee has developed should be implemented into the legislation so that we can develop the kind of protective mechanisms for which the small business community has been asking and which the banks have been guilty of not providing.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Drummond (Mr. Guilbault)—Royal Canadian Mounted Police—War against drugs; the Hon. Member for Surrey—North (Mr. Karpoff)—Housing—Personal housing costs—Minister's position; the Hon. member for The Battlefords—Meadow Lake (Mr. Taylor)—Canada Post Corporation—Remarks of constituent—Minister's position / Public relations activities.

GOVERNMENT ORDERS

[*English*]

BANK ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Loiselle that Bill C-9, an Act to amend the Bank Act, be read the second time and referred to a legislative committee, and the amendment of Mr. Rodriguez (p. 3601).

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, when one listens to the Hon. Member from the New Democratic Party speak about the required changes to the Bank Act, it is amazing to realize that we have to raise in the House of Commons something that should have been regulated in law many years ago. If there is any legislation that should be rigid, it is the Bank Act.

For all practical purposes the banks have a form of monopoly that has been given to them by the Government. Yet year after year in the House we have to bring up the abuses by the banks in this country.

I have been a victim of service charges on many occasions. Recently I received four NSF cheques, each with a service charge of $15. Yet when one attempts to call the bank on which the money is drawn to see if there is enough in the account, the bank will not give the information about whether the person has sufficient funds. It is necessary to go to one's own bank, get on one's knees and ask them to call the bank to see if there is sufficient funds before depositing the cheque. It is a catch-22 situation.

The rate at which service charges have been creeping up over the years is a disgrace. No matter what government is in power, it should immediately ensure that the Bank Act is the most rigid of all legislation because it deals with one of the most fundamental aspects of our democracy.

The core services provided by the banks operate on a very basic principle, the cost of doing business. If the banks cannot provide the service, why don't they get out of the business?

[*Translation*]

Mr. Speaker, I know that many of my fellow citizens have noticed that after going to the bank for whatever reason, their statement indicates a charge of $1, $1.50, $5 or $7. When you enquire, the bank says those are fees for this or that service, but these are fees that should not even exist.

And then we have to come here to argue this issue and say: This is abuse! Of course this is abuse, and if there ever was a place where such abuse should be stopped, that place is right here!

The Bill before the House today I must say am not familiar with the other attempts to legislate the matter in the past but I can inform the House that the Bill before it today is only an attempt to deal with the issue but at least we should respect the principle that any Canadian who receives a service from the bank—and don't forget that the bank gets its charter from the government so it is a kind of monopoly, and it gets very rigid.

No bank should have the right to decree unilaterally that it will charge fees for certain services. It doesn't make sense at all. And just the same, we have to come and argue this issue in the House.

• (1530)

[*English*]

Everybody deals in good faith. Of course there are exceptions. Why is it not understood that with our banking system, fundamentally small businesses have been complaining about the charges on NSF cheques and others? The fact remains that the banks should not

have the latitude to charge for any service to citizens of this country. This Bank Act is not rigid enough.

It is very simple. We have to get down and start from zero. The banks must be called to task and we must settle the problem once and for all. How many small business organizations, how many consumers have been heard on different news programs, on open-line radio programs telling us stories about creeping service charges that have increased through the years? Yet we cannot come up with an Act to right a wrong within what is a fundamental aspect of this country, our banking system.

I do not have to go into detail about banks' record profits, let alone the hundreds of millions of dollars in write-offs because of poor investments in Third World countries where it was thought the banks were going to make a mint. These proved to be failures. Yet they wrote them off, of course, against the taxpayers. It is an amazing coincidence that when the news was getting out that they were going to have to write off hundreds of millions of dollars of their loans to certain countries, all of a sudden the phenomena of the creeping charges came in. The charges escalated out of proportion.

It is very simple. I think we should put this Act aside, sit down again and take the recommendations from the committee on finance. We should call the banks to task and say: "You are not going to set the rules. We are going to set the rules when it comes to charges."

Basically our job is very simple. You can talk to any Canadian or to any small business organization and it is only common sense, they will tell you, that there should be no bank charges. That is obvious because it is their service and their cost of doing business.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on the amendment of Mr. Rodriguez. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Call in the Members.

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I think that you would find that there would be consent to defer the vote until the other votes at six o'clock so that we can continue with Bill C-27.

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

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): Agreed and so ordered.

* * *

[*Translation*]

NON-SMOKERS' HEALTH ACT

MEASURE TO AMEND

Hon. Jean Corbeil (Minister of Labour) moved that Bill C-27, an Act to amend the Non-Smokers' Health Act be now read a second time and referred to a legislative committee.

He said: Mr. Speaker, I welcome this opportunity to explain to the House the proposed amendments to the Non-Smokers Health Act.

As you know, this legislation was the result of a Private Members' Bill introduced by Lynn McDonald, the former Member for Broadview—Greenwood. The health of Canadians is something that concerns us all, and you will recall that Bill C-204 received the support of Members on both sides of this House and of the Senate.

All Parties being agreed, Bill C-204 received royal assent in June 1988. Once again I want to congratulate the Bill's sponsor for her remarkable achievement in

difficult circumstances: obtaining Parliament approval of the concept of regulating the use of tobacco in the work place.

However, the legislation has not yet been promulgated because it contains a number of aspects that as difficult to administer and to enforce.

Being a Private Members' Bill, the legislation did not designate a specific minister who would be responsible for its implementation and enforcement. Pursuant to Order in Council of December 7, 1988, the Minister of Labour was made responsible for the Bill as it affected the work place, while enforcement on public carriers was assigned to the Minister of Transport.

Subsequently, Mr. Speaker, closer scrutiny of the legislative text by the two responsible departments together with Health and Welfare Canada revealed that in its present form, the legislation presented some enforcement problems. Personally, I think it is important to provide for an inspection mechanism and an enforcement process, both of which were lacking in the existing legislation. Obviously, when there are any doubts that its provisions will be observed, legislation loses its impact and effectiveness.

My concern for the practical aspects of enforcement led me to question the shortcomings in the current legislation and ask for permission to amend it. I would like to stress that the amendments being proposed today still observe the initial spirit and scope of the legislation adopted last year.

I firmly believe that these amendments which are intended to fill the gaps in the legislation and to make it easier to administer the Non-Smokers Health Act, will give the text more teeth and make it more effective. The amendments will not only correct a number of technical and drafting problems, they will also create an inspection and enforcement system that will make the legislation more meaningful.

[*English*]

The amendments provide for a system of inspection which will involve Labour Canada and Transport Canada inspectors and which they will carry out in addition to their ongoing duties. It is not anticipated that there will be any requirement for additional resources to undertake this work. Inspectors will carry out the provisions of the Act within the context of their ongoing inspections.

Indeed, I should point out that under the Act, employers have a responsibility to ensure that persons do not smoke except in designated smoking rooms or smoking areas. If an employee contravenes the Act, the employer would be expected after due warning to take disciplinary measures against that employee consistent with standard employer-employee disciplinary practices without recourse to the inspector. I believe this kind of infraction will prove to be the norm, and in large measure, the legislation will be self-regulating.

[*Translation*]

A parallel enforcement method is suggested, based on a system of fines, to complement the current mechanism. The system of fines was selected for the following reasons: It allows contravenors to plead guilty voluntarily, pay a fine and thus avoid summary proceedings; fines are used by other jurisdictions in Canada and abroad to enforce no smoking rules and also within the federal Government, more specifically by the Departments of Fisheries and Oceans and the Environment.

The Law Reform Commission of Canada recommends this approach to reduce the number of summary proceedings.

The fines will be similar to those applied in the case of traffic violations. Amounts will be determined by the regulations but will not exceed the limits stated in the legislation, which will remain unchanged.

[*English*]

There are also a number of drafting and technical problems with the Auditor General Act. These problems will be corrected through the amendments. For example, in the Act as it was passed, there is a requirement that the employer provide a smoke-free environment. The concept of a smoke-free environment implies a system of measurement. However, it is not technically or administratively feasible to measure concentrations of tobacco smoke to determine whether the environment is smoke-free or not. We need to have a practical and enforceable alternative that still retains the spirit and the intent of this original requirement. The amendments therefore will instead place a requirement on employers to ensure that persons refrain from smoking in the workplace except in designated smoking rooms or smoking areas.

[*Translation*]

Since it is easier to allow smoking in certain areas than to provide for a totally smoke-free environment, the concept will allow for more uniform and more effective implementation of this legislation.

[*English*]

However in the spirit of providing a smoke-free environment, designated smoking rooms in buildings, the construction of which commences after December 31, 1989, will need to be independently ventilated. Designated smoking rooms in older buildings will need to be independently ventilated to the extent reasonably practicable. Detailed technical requirements such as ventilation rates will be specified in regulations that will be developed in consultation with management and labour representatives.

• (1540)

[*Translation*]

Mr. Speaker, representatives of employers, employees and health groups support these amendments. I only hope that I can count on all Hon. Members of this House to support them just as much so that we can implement this Bill as soon as possible. The original Act was given Royal Assent nearly a year ago.

That is why I propose in clause 16 that the law take effect six months after the amendments receive Royal Assent, which I realize will give just enough time to put the necessary regulations in place.

This Bill is an important piece of non-partisan legislation which deserves to be applied effectively, in keeping with its original spirit and intent. It is a major step towards a healthier work environment for Canadians. I therefore count on the support of all Hon. Members of this House to pass this Bill.

[*English*]

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, I am delighted to speak on this Bill although there was equal demand to be in my constituency where I was to hear the presentations of citizens respecting pension reforms.

The Liberal caucus supports the quick passage of Bill C-27. In fact, I would have given the Government an excellent rating for introducing Bill C-27 which proposes amendments to the Non-smokers' Health Act except that in stalling for a year the Government almost killed the initiative of a private Members' Bill. The Non-smokers' Health Act, Bill C-204, sponsored by Lynn McDonald, was introduced and given first reading on October 6, 1986, almost three years ago. The Bill was given Royal Assent on June 28, 1988, but was not proclaimed. Thus, the Non-smokers' Health Act has been in limbo for almost a year now.

This is not surprising given the Government's initial lack of enthusiasm for Bill C-204. When introduced, Lynn McDonald's private Members' Bill was apparently opposed by the federal Cabinet. However, opposition Members of Parliament teamed up with government back-bench Members of Parliament to force the passage of the Bill, a true example of non-partisan approach when it comes to the fundamental issue of health care and health safety.

Yet, after the Bill was given Royal Assent, the Government did not move quickly enough to proclaim it. Members from all Parties had to continually urge the Government to take action to proclaim the Bill or to introduce amendments to it. I myself, Mr. Speaker, urged the Government to make the Non-smokers' Health Act law when I delivered a statement under Standing Order 31 on the occasion of the beginning of the National Campaign for Action on Tobacco on May 16.

By neglecting the Non-smokers' Health Act for almost a year, the Government has illustrated its inability to translate the scientific evidence of a major epidemic into a corresponding appropriate political action and response. Moreover, the Government's reluctance to proclaim the Bill after it was given Royal Assent proved the Government's arrogant tendency to make a mockery sometimes of the decisions of Parliament. This delay also illustrated the Government's lack of concern for the health of Canadians when the lobby from tobacco industries became very strong.

As I have mentioned to the House before, Mr. Speaker, last year more than 35,000 Canadians died prematurely from diseases caused by tobacco. This total is greater than the total number of people who died as a result of accidents, suicides, homicides, AIDS, alcohol and alcohol-related totalities. Despite such statistics the Government postponed dealing with Bill C-204 for almost a year. In a sense this allowed continued health risks to occur.

The old cliché that it is better late than never does not quite hold true in this case. We expected more leadership on this vital issue from the Government. The Government's lengthy inactivity in regard to the Non-smokers' Health Act causes us to question the credibility and ethics of the Government which does not seem to have the grace to respect the will of the House promptly.

By delaying action on this Bill, the Government allowed continued health risks to occur and thus set a poor example for the country. If justice is delayed, justice is denied. If a good cause is delayed, a good cause has been denied.

It is disturbing to realize that the Government cares so little about the welfare of Canadians that it would allow a good cause, restricting smoking in the workplace and therefore protecting the health and rights of non-smokers, to be denied for so long.

I am relieved to note that the Government has finally acknowledged its responsibilities and introduced Bill C-27 which proposes amendments to the Non-smokers' Health Act to provide for inspection and enforcement clauses which the original Bill, being a private Members' Bill, did not have the opportunity to include.

At this juncture I am delighted to laud the Government on the new structure of the Bill. Bill C-27 is organized so that the definitions are all at the beginning of the Bill, the enjoinders and the inspection clauses are in the middle, and the regulatory-making powers of the Governor in Council are at the end.

I would also like to congratulate the Government for removing Clause 3(6) from the original Bill which state: "Nothing in this Act affects any rights to protection from tobacco smoke at common law or under any Act of Parliament or of a provincial legislature". This provision would have allowed for the possibility of provincial variations in the application of the Non-smokers' Health Act.

Clause 6 of the new Bill states:

> "Nothing in section 4 or 5 affects the operation of any other Act of Parliament or regulations thereunder or any rule of law in relation to the protection of persons from exposure to tobacco smoke.

This will ensure more consistent application in all the provinces.

The amendments made to Clause 5 are also to be commended. Whereas the original Bill included provisions for removal of smoking passengers from non-smoking aircraft, the new Bill also includes provisions which extend this rule to buses and trains.

An additional positive feature of Bill C-27 is that under Clause 14, peace officers and persons employed to act as inspectors for the purposes of this Act may serve tickets to people who are smoking in non-smoking areas. This is important because there are certain workplaces where an employer does not have authority over all the people in the workplace. For example, it is difficult for a bank manager to order a customer to stop smoking. Now the customer will be deterred from smoking in non-smoking workplaces by the risk of getting a ticket.

I would like to point out, however, that there is still a problem with the provision on ventilation, it is still a vague clause. Clause 3(4) of the original Bill stated: "Every employer shall make reasonable efforts to ensure that a designated smoking room is independently ventilated". The clause in the new Bill reads as follows:

> "Where an employer has designated a room for smoking under subsection (2) in a building or portion of a building the construction of which commenced before January 1, 1990, the employer shall, to the extent reasonably practicable, ensure that the room conforms to any requirements of the regulations respecting independent ventilation of designated smoking rooms."

Now an employer can argue not only that efforts to provide ventilation would be unreasonable, but that they would be impracticable as well. We should ensure that this does not happen.

The new Bill also results in a time delay for when rooms designated as smoking rooms have to be independently ventilated in newly constructed buildings.

• (1550)

The old Bill required buildings constructed prior to January 1, 1990 to have ventilation in smoking rooms only if this could be done with reasonable effort. The new Bill allows the reasonably practicable clause to apply to all buildings, the construction of which began before January 1, 1990, regardless of when construction is finished.

In addition, in the new Bill the requirement for independent ventilation is removed from the legislation and put into the regulations. I urge the Department,

now, to make sure that they follow through with this so that it does not become a future concern.

It is a relief to see that the Government is finally taking steps to make the Non-smokers' Health Act law, given the serious effect of smoking on health.

Smoking poses a health hazard for all Canadians, not only for adults, not only for children, but equally for the unborn.

As noted in the Library of Parliament paper entitled "Tobacco Smoking", smoking during pregnancy has been found to retard the growth of the unborn child and to lead to increased risks of stillbirth, neonatal death and low birth weight. Smoking while pregnant also leads to congenital malformations and can have long term effects on the child, such as mental retardation or cerebral palsy.

The 1979 U.S. Surgeon General's report linked smoking with sudden infant death syndrome. The 1980 report surveyed studies of men and women suggesting that cigarette smoking may impair fertility.

There is a great cause for concern about the prevalence of cigarette smoking among children and adolescents because nicotine inhibits physical as well as intellectual growth, is addictive and causes long term health risks.

Studies show that the risk of coronary disease, stroke and lung cancer are substantially higher for cigarette smokers than for non-smokers.

According to the report of the Surgeon General on the health consequences of smoking, smoking is responsible for an estimated 30 per cent of all cancer deaths, including 87 per cent of lung cancer, the leading cause of cancer mortality; 21 per cent of deaths from coronary heart disease; 18 per cent of stroke deaths; and 82 per cent of deaths from chronic obstructive pulmonary disease.

Among young men who smoke two or more packs of cigarettes a day, the risk of heart attack is more than seven times higher than for non-smokers. The risk of heart attack for women under 50 is 10 times greater than for non-smokers of the same age group.

The longer a person smokes and the more cigarettes one smokes, the higher the risk of contracting lung cancer.

Data reported in the *U.S. Congressional Quarterly*, March 24, 1989 editorial research report shows that the average male smoker is 22 times more likely to die from lung cancer than a non-smoker.

Research also links cigarette smoking with increased risk of chronic bronchitis, emphysema, cancer of the mouth, larynx, oesophagus, bladder and pancreas. Peptic ulcers are also more common among smokers.

I would also like to point out that nicotine is addictive, which is something tobacco manufacturers attempt to deny. However, the addictive nature of tobacco cannot be denied. Indeed, former U.S. Surgeon General Koop announced in the spring of 1988 that nicotine is more addictive than heroin.

Dr. Ronald Davis, director of the office on smoking and health at the Centres for Disease Control in Maryland stated: "—the best piece of evidence that smoking is an addiction is that 80 per cent of smokers say they would like to quit but can't do so."

The tobacco industry has protested that cigarette addiction is like other ingrained habits, like watching television or eating cookies.

The U.S. Tobacco Institute has ridiculed the concept of a physical withdrawal from nicotine, stating: "Any feeling persons might have upon giving up smoking are those that would be expected when one is frustrated by giving up any desired activity."

This is obviously the attempt of industry to twist facts to suit their own vested interests and I would hope that Governments would recognize and condemn this.

Our Government has not been able to do this. As I will discuss in more detail at the end of my speech, this Government bent to the will of the tobacco industry when the tobacco industry lobbied to nullify the requirement that cigarette packages include the warning that tobacco is addictive. This Government seems more intent on appeasing the industry than on safeguarding the health of Canadian citizens. This is unacceptable, especially when the addictive nature of nicotine is well documented.

As Dr. Jack Henningfield, scientific editor of the Surgeon General's 1988 nicotine addiction report stated, when nicotine withdrawal is compared with withdrawal from an array of drugs, it is almost similar to withdrawal to cocaine, but it is worse.

Researchers are now discovering that nicotine changes the very structure and function of the brain. I quote now from the *U.S. Congressional Quarterly* editorial research report of March 24, 1989: "Nicotine controls the release of hormones from the pituitary gland in the brain and from the adrenal gland in the body. It stimulates adrenalin, which may produce the same symptoms as physical and psychological stress. Nicotine also stimulates the release of dopamine and noradrenalin, which may produce feelings of pleasure. Autopsies have found that heavy smokers develop additional nicotine receptors, sites on the surface of brain cells that provide entry points for nicotine.

These changes in the brain, if permanent, might explain why some smokers say they never regain their abilities of mental concentration years after quitting. Another possibility is that such smokers are suffering some form of long term withdrawal.

What is also important to note is that the earlier one starts smoking, the longer one will smoke. Thus it is important to stop smoking before it starts with the young people.

According to a survey conducted by the U.S. National Institute on Drug Abuse, over 25 per cent of the high school seniors who ever smoked had their first cigarette by Grade 6, over 57 per cent had their first cigarette by Grade 8 and 94 per cent had their first cigarette by Grade 11.

According to the same survey, the highest rates of initiation into daily smoking are among children who are 12 to 14 years of age.

Cigarette smoking is the future No. 1 killer of today's teenagers. According to an article in *The Journal of School Health* every day more than 2,000 American adolescents smoke their first cigarette and a proportionate number of Canadian adolescents equally do the same.

Over the lifetimes of these children, a significant number will die.

Twenty-five per cent of the teenagers who start smoking today will eventually die from diseases caused by this addiction.

This Government must accept the responsibility for supporting programs that will prevent our children from becoming addicted to nicotine and being lifetime smokers.

This is the Government's responsibility because smoking does not just pose health hazards to smokers themselves, it also puts non-smokers at risk because of the negative effects of secondhand smoke. Therefore, smoking is not just a personal health problem, it is also a social public health problem.

As a social public health problem, and in the interest of the common good, there are grounds for the Government to intervene to try to protect non-smokers from the ill effects of cigarette smoke.

Research has shown that the spouses and children of smokers have increased risk of serious health problems. One study found that children whose parents smoke have much higher rates of respiratory illness such as colds, influenza, and pneumonia and reduced lung capacity.

Of particular importance to the Bill we are now debating is the following statistics reported by the Canadian Health and Welfare study. A non-smoker who is exposed to secondhand smoke in the workplace for 20 years suffers the same negative effects as someone who has smoked 10 cigarettes a day for 20 years.

This is not only totally unfair to non-smokers, it is almost criminal. As a medical doctor, I am appalled that this Government has stalled so long before introducing amendments to a Bill which is so obviously vital to the welfare of Canadians.

• (1600)

There are also adverse economic effects of cigarette smoking. It is society that pays when a person is ill, is absent from work, or dies young and leaves dependants. Depending on the country, the direct health cost of dealing with smoking-related illness varies from 3 per cent to 5 per cent of all health care costs.

Health and Welfare Canada has estimated that the cost associated with smoking is twice as high as the revenue from tobacco taxation. The Health and Welfare study found that the economic costs of tobacco use in terms of mortality, disability, fire damage, direct hospitalization and physicians' fees is over $7 billion compared

with only approximately $4 billion in economic revenue from the tobacco industry.

It seems to me that most people would welcome this law banning smoking in the workplace except in designated areas. It has been enthusiastically supported by groups such as the Canadian Lung Association, the Non-Smokers' Rights Association, the Canadian Cancer Society, Physicians for a Smoke Free Canada, the Canadian Council on Smoking and Health and the Public Service Alliance of Canada.

Finally, I must point out that this Government does not have a good record when it comes to implementing legislation regulating smoking and tobacco. As noted in *The Globe and Mail* today, this Government allowed the tobacco industry to succeed in its lobby to remove two fundamental recommendations from the Tobacco Products Control Regulations, regulations which were to provide a serious warning system for tobacco.

First, this Government removed the requirement that every tobacco package should display messages identifying tobacco as addictive.

Second, the Government also removed the requirement that packages have an arrow circle display symbol which would draw attention to the risks of smoking.

This has seriously weakened the Tobacco Products Control Regulations and shows us that this Government cannot be trusted and that we must be careful to ensure that the Government takes its responsibilities to the citizens of Canada more seriously. It is obvious that the Non-smokers' Health Act is one that is necessary to help protect the good health of Canadians and to alleviate some of the negative and economic aspects of smoking.

With this new Act, hopefully the Government can redeem itself and show the people that truly the safety of Canadians is paramount and never can be subservient to the interests of the tobacco industry.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I join with my colleagues and say it is a pleasure to participate in this debate. What becomes very clear is that this Bill is indeed a victory of parliamentary reform.

The Non-smokers' Health Act, known as Bill C-204 in the last Parliament, was a victory for the role of Private Members. It was the first controversial Private Members' Bill selected as a votable item to succeed its passage through the House of Commons. Its eventual passage was certainly a testament to the determination of its mover, Lynn McDonald from the constituency of Broadwood—Greenwood. It was her incredible work that focused on the need to change the attitude of Canadians toward smoking, to show parliamentary leadership in terms of what could be done to clean up the Non-smokers' Health Act.

What we are debating today is a reflection of the success of that Private Members' Bill and indicates the diligence of the health community, particularly the Non-Smokers' Rights Association, the Canadian Medical Association, the Canadian Cancer Society and the Canadian Lung Association. There are other groups and hundreds of thousands of individuals who became involved in attempting to move parliamentarians to take action on this very, very critical issue.

I must say the willingness of back-benchers from all sides of the House, members of the New Democratic Party, Liberal and Conservative Parties, set aside partisan differences in moving that Private Members' Bill through. They voted for a cleaner environment and voted against the work of the tobacco lobby which if it had had its way would have us all smoking and smoking as much as we possibly could. That is a testament to how successful this place can be. All Members of Parliament deserve to be commended, those who voted in favour I might add, because there were still some who bowed to the pressure of the tobacco lobby and voted against a smoke-free workplace, if you can imagine, Mr. Speaker.

In the intervening months we have seen unanimous support for this initiative and now it seems incredibly Draconian to think that Members wanted to encourage people to smoke and encourage young people to begin the practice.

Unfortunately, the Bill did not emerge from the House unscathed. During very often acrimonious committee review, sections of the Bill were reworked and redrafted without the guidance of those who knew what elements were needed for the law to be enforceable. As a result, the Bill was more of a statement of principle than a framework for regulation. We all remember that

Bill C-204 received Royal Assent almost a year ago, yet it has never been proclaimed. It has not been enforced. It has never been able to become an act of law because administrators felt that it was unproclaimable until rewritten in a more enforceable framework. Fair enough. We are seeing the results of that effort today.

Earlier this year the Department of Labour, through the initiative of the Minister, entered into discussions with various employers, employee groups, health groups and, I suspect from recent news, tobacco interests and we worked the Non-smokers' Health Act into the version before us today. In the process a few changes were made to the principles involved but essentially preserved the integrity of the Act. Whereas Bill C-204, Lynn McDonald's Bill, gave workers the right to a smoke-free workplace, Bill C-27 before us imposes on employers the responsibility to ensure a smoke-free workplace for their workers. Those and other changes go to show that there is more than one legislative way to skin a cat.

What we know in the context of this legislation is that for more than a generation smoking kills people. I do not think there is any other way to put it. If you smoke excessively, chances are that you will die prematurely and that smoking will cause illnesses that every year lead to the death of many people. The most recent statistics—almost unbelievable—show that 35,000 Canadians die prematurely each year from diseases caused by tobacco smoke and illnesses caused by tobacco smoke.

We have only recently learned that the number of deaths caused by involuntary smoking, breathing the air which contains second-hand smoke, causes deaths as well. Last week the Environmental Protection Agency in the United States reported that environmental tobacco smoke was the greatest source of indoor air pollution in the U.S. Obviously, the same situation would apply to our own country. It is also reported that second-hand smoke was the greatest source of exposure to carcinogens. In other words, second-hand smoke exposed non-smokers to more cancer-causing chemicals than any other aspect in their daily lives. I do not know if you are aware of it, Mr. Speaker, but there are 32,000 chemical agents in tobacco smoke, over 50 have been identified as likely carcinogens.

Health and Welfare has provided us with estimates that 330 Canadians die each year from lung cancers caused by breathing tobacco smoke-contaminated air in the workplace. This means that every year on average 330 Canadians die because people around them smoke. They do not, but the fact that there is smoke in the workplace causes 330 people to die.

We can all be very proud because this Bill, once it passes, will save the lives of at least 330 people every year. Bill C-27 flows out of Private Members' Bill C-204 introduced by Lynn McDonald.

• (1610)

There are a number of items I wish to refer to specifically, and one is the whole idea of a designated smoking room. Under the previous Bill, common carriers would have had to provide a separate room for smokers. Now they need only to set aside a separate area. That is essentially the situation that exists on airlines and buses now, as only a few rows of seats are made smoking seats, but the second-hand smoke still affects non-smoking passengers and employees on common carriers. I have a number of questions I want to put to the Minister on that issue in Committee of the Whole. As a matter of fact, to move this matter expeditiously, I should wait and make those comments and raise those questions during Committee of the Whole stage.

With that, I want to say that it is a delight to participate in this debate. All of us are concerned when we see young people encouraged to smoke by their peers or by advertising. We have taken steps in another way to pull back on those kinds of initiatives. I hope, through this legislation and related legislation, that we can encourage people not to smoke or to stop smoking. We should encourage people to rethink what the tobacco lobby has been successful in encouraging them to think, and that has been to remove some of the impact of the warning on cigarette packages. I think both sides of a cigarette package should simply say that smoking will cause premature death—

Mr. Beatty: It is 20 per cent on both sides.

Mr. Riis: The Minister of National Health and Welfare (Mr. Beatty) is indicating that it is already on there, but I would like to see the entire side of a cigarette package taken up with the warning. If people want to find out what brand it is, they can look along the edge of the package.

Let us move on with the passage of this Bill. I will have more comments to make in Committee of the Whole.

Mr. Cooper: Mr. Speaker, I rise on a point of order. I think you will find that if you were to ask for consent, there is the consent of the House that we take this Bill to Committee of the Whole rather than to a legislative committee so that we could complete all stages of the Bill this afternoon.

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

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): Agreed and so ordered.

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, though I am given only a few minutes to speak on this Bill, I do wish to bring up a point of view that is expressed by those in my riding of Haldimand—Norfolk. My riding contains one of the largest numbers of tobacco growers in the country. It is a tobacco growing region where farmers have most felt the impact of Government policies in this area.

I rise knowing that all three Parties have indicated their support for this Bill and that numerous cancer associations and anti-smoking groups have also supported the Bill. However, I do want to bring up the point that issues affecting the farmers of Haldimand—Norfolk have not been addressed in this debate. The tobacco companies about which everyone seems to be talking with Mr. Neville speaking on their behalf do not speak for the tobacco farmers, so I want to say a few words in this regard.

When we talk about this issue, it seems that we sometimes forget about the rights of the rural tobacco farmers to sustain themselves and to create livelihoods for themselves and their families. I am not placing the economic well-being of some Canadians ahead of the health of other Canadians, but I do want to point out the shortcomings of the Government's policies with regard to tobacco farmers. These policies were greatly discussed when this Bill went through committee the last time. The committee recommended that something had to be done for the tobacco farmers to help them get out of the industry and get into alternative crops.

I feel that the Government's programs relating to alternative crops should be condemned by the House. The committee reviewed the situation of tobacco farmers and indicated that tobacco farmers should be compensated adequately. However, the recent Budget shows that money going toward the orderly rationalization and diversification of the tobacco producing industry was cut.

The tobacco farmers realize the situation they are in. They have worked for many years to develop the industry but they realize that there will be a need for them to move to other areas. However, they expect that a Government with programs which directly affect them should help them to grow alternative crops.

In the Budget there was a decrease of some $6 million, from $10 million down to $4 million in funds to help tobacco farmers grow alternative crops. I condemn that outright. I think—

Mr. Crosbie: So vote against the Bill.

Mr. Speller: I will, thank you. I feel that the Government made a commitment. In fact, during the election the Deputy Prime Minister, the part-time Minister of Agriculture (Mr. Mazankowski), came into my riding and to a number of surrounding ridings, including the ridings of Elgin and Oxford whose Members are not present for this debate, and said that he would support tobacco farmers and would help them get into other areas of production. We see that this is not the case.

I want to read into the record a little note I received, and I know the Hon. Member across the aisle will want to listen to it. It is a note from a tobacco farmer, a lady who lost her husband. She is indicating the situation she is in. Granted, this is a letter from just one family, but I can show Hon. Members the numerous letters I have received which essentially discuss the same thing.

Mr. Crosbie: Quit beating around the bush, just tell us where you stand.

Mr. Speller: I am not beating around the bush and the Hon. Member knows that. Someone has to stand up for the tobacco farmers of Canada. The Government does not seem to be doing so.

Mr. Crosbie: You stand up for them.

Mr. Speller: I do not see Government Members here. In fact, I do not see any other Members representing tobacco areas here discussing this Bill. Where are the Government Members?

This is a very serious case of a farmer who has been adversely affected by the Government's policies. I know I only have a short time in which to speak, and if the Hon. Member would keep his interjections to himself I could outline to the House the seriousness of this issue and how it is affecting individual families in my riding. The letter reads:

> I have a very hard time making my living of $350 every two weeks with three children still at home—
>
> I am writing this letter you to realize how hard life is after I sold my quota. Sometimes I feel like I am going to have a nervous breakdown. Even my children are suffering. They are nervous because they see all my hardships and problems. Last year my 19 year-old son underwent a terrible surgery for a bleeding ulcer. The specialist even said that he couldn't understand how such a young person could get such a bad ulcer. Without surgery, my son would have died.
>
> I was forced to sell my quota because of financial problems, and my means of living have been destroyed. I feel that it is unfair and very wrong that we get treated different than the people who sold their quota under the redux later.

That is a whole other issue, one which the Government has yet to address. I hope the Government will help these people who originally sold their quotas and were treated unfairly by the Government. The letter goes on:

> What about my family's health? What about my own health, or others in the same situation as me?

I do not know if Hon. Members realize this, but the suicide rate in the tobacco area is outrageous. It is much higher than the national average. In fact, there is a great deal of suicide, family break-ups and general poor health. This is a product of the Government's policies, or of the Government not directing proper policies to help those people who have been adversely affected by the Government's decision to implement certain programs. I am referring not only to programs like this Bill but to the Budget cuts the Government has brought in.

I know I have been given only a couple of minutes, so I will end my remarks. This Government's policy with regard to tobacco has been completely wrong and unfair. The Government should be providing programs for those farmers. They are good farmers and good people and they deserve better than this Government's programs with regard to tobacco.

• (1620)

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and the House went into committee thereon, Mr. Paproski in the chair.

[*Translation*]

Clauses 1 and 2 agreed to.

[*English*]

On Clause 3—*Duty of employers*

Mr. Riis: I have a couple of questions, Mr. Chairman, and I suspect that Clause 3 is as good a place as any to ask them. We seem to be moving expeditiously. Perhaps I will ask one question at this point and raise others.

My question relates to the whole matter of designated smoking areas on board buses and airplanes. Presumably, at the moment where there are smoking flights, a certain number of seats are designated for smokers and other seats for non-smokers. All of us who have been on those flights or on buses that do it in a similar way realize that smoke blows all over the place and that does not seem to be a very satisfactory manner, if we are serious about providing a smoke-free area.

Would the Minister give some assurances that the regulations that will be passed associated with this Act will protect passengers and also people who work in those environments from environmental smoke as a result of the different seating arrangements?

Mr. Corbeil: I am informed that there will be provisions concerning the regulations, and that will be done in consultation with the labour movement and employees' groups.

Mr. Riis: It could be exciting to see how that will actually be done. I have to accept the Minister's words that it will be done. I have a related question. Obviously, from time to time, employees will be required to enter areas that are smoking areas. An example could be caretakers who have to go in and clean up rooms where

people have been congregating to smoke. Therefore, we are requiring employees to go into a dangerous area by the way it has been described.

Would the Minister's deliberations at the regulation stage take this problem into account as well, and ensure that there is some way to deal appropriately with those workers who will be required to go into a smoke-filled or a dangerous environment in terms of a smoking area?

Mr. Corbeil: I take notice of the Hon. Member's remarks. I will certainly take them into consideration when we draft the regulations.

Mr. Riis: I appreciate the response of the Minister, and I do not want to be difficult. I appreciate the position the Minister is in. However, it is not much satisfaction when the Minister states that he will take these into account when the regulations are being drafted. Is the Minister in a position to be a little more forceful, or at least sound a little more committed to dealing with these critical issues? As I say, I am not attempting to be problematic in terms of the issue, but I do believe it is serious enough that we need to hear more than it being something that will be thought about or raised during the deliberations at regulation stage.

Mr. Corbeil: Any worker who feels that he or she is being asked to work in unsafe conditions can, under the regulations of Labour Canada, refuse to work.

Mr. Riis: One would assume with the regulations being what they are that an employee who was asked, for whatever reason, to go in and perform duties in what would be determined by the employee to be an unsafe place because of the smoking environment, would have that right to refuse and be under no obligation to do otherwise.

Mr. Corbeil: Part II of the Canada Labour Code already provides for employees, under those circumstances, to refuse to work. Part II of the Canada Labour Code will continue to be applicable to employees who refuse to work under those circumstances, and they will have available to them the ordinary grievance procedure.

Clause agreed to.

The Deputy Chairman: Shall Clause 4 carry?

Some Hon. Members: Agreed.

Clause agreed to.

The Deputy Chairman: Shall the title carry? The Hon. Member for Kamloops.

Mr. Riis: Since we are at the title now, this is the last stage. Perhaps I can use this opportunity to seek clarification from the Minister. I beg your indulgence, Mr. Chairman, but I recognize that this is not the appropriate place to ask this question, but having missed the appropriate place, I would like to ask it now.

The previous saving clause mentioned: "no limitation of rights under common law, provincial, or federal statutes". We understand why reference to provincial law has been removed. Obviously, it is a federal statute that will evolve. However, why have the rights at common law been replaced by rule of law? Is this is a lesser protection of existing rights to a smoke-free environment? Perhaps the Minister could provide at least a clarification of that change.

Mr. Corbeil: I am informed that we have been assured by the lawyers who have reviewed this legislation that this drafting has the same meaning.

Mr. Riis: I have two further questions and will perhaps pose them both at the same time. In the original Bill, that was going back to the Lynn McDonald Bill, the Bill ensured that smoking rooms in new buildings would be separately ventilated, and that makes sense. However, in this Bill that section is removed. It seems to me to be an obvious provision to have in the Bill that, if a smoking room is built where people smoke, it would be separately ventilated, but the Bill removes that. I am curious to know why that would have been done. What I am seeking from the Minister is an assurance that these new regulations that will flow from this Bill will provide that separate ventilation is guaranteed for smoking rooms in buildings to be constructed in the future.

• (1630)

Second, is the Minister satisfied that we as a country are indeed heading rapidly toward a situation in which no federally regulated worker will be exposed to tobacco smoke against his or her wishes? I realize in a sense that that is a repeat of a previous question.

Mr. Corbeil: Mr. Chairman, in response to the concerns of the Hon. Member with regard to the ventilation of smoking rooms, I would like to state that the draft regulations to be discussed with industry and labour representatives in the next few days will include provisions for the air to be exhausted to the outside without being recirculated for designated smoking rooms. New buildings will need to meet the specific technical requirement for independent ventilation. Designated smoking rooms in older buildings will need to meet it to the extent reasonably practicable.

As far as the second question is concerned, I will repeat my answer. Part II of the Labour Code of Canada provides that any employee who finds that it is unsafe for him to work in an area where people have been smoking will have the possibility of refusing to work, with the proper grievance procedure to be applicable.

Mr. Riis: Mr. Chairman, I just want to say on behalf of the New Democratic Party that we appreciate the responses and the assurances that the Hon. Minister has given us.

Title agreed to.

Bill reported.

Mr. Corbeil moved that the Bill be concurred in.

Motion agreed to.

The Acting Speaker (Mr. Paproski): When shall the Bill be read the third time? By unanimous consent, now?

Some Hon. Members: Agreed.

Mr. Corbeil moved that the Bill be read the third time and passed.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, the Liberal Party is very pleased that finally the Government has seen fit to bring back this legislation which has been in limbo for almost a year.

Once and for all Parliament is recognizing that the safety of Canadians from the hazard of smoking is truly there. It is known that smoking affects not only the growing child and adults but that it affects equally the unborn child in the womb of his or mother.

One particular point I would like to emphasize is the matter of addiction to cigarettes. It is one of the fundamental harms that can come from smoking. With this harm comes a series of harms. One of them is the propensity or determination of the smoker to continue to smoke. In fact, he finds it difficult to stop smoking.

With these continued habits we know, as I indicated earlier, that the cost to Canadians is measured not only in terms of costs to physical health and costs to mental faculties but as well there is a tremendous cost to our health care system.

That this Bill would have been delayed for a year tells of the lack of commitment of the Government to such a fundamental concern as the health safety of Canadians.

A national campaign on tobacco was started last month. I hope that the Government in trying now to redeem itself from its hesitancy to proclaim this Act for a year would utilize every resource to ensure that the very intent of this law is carried out. One of the challenges to the Government will be to introduce and to provide programs that will help our teenagers in the many schools across the country. The real challenge to Government is to provide funding for our schools so that education against smoking and its hazards is given to all teenagers and other school children from coast to coast. The Government cannot be allowed to make the interest of industries paramount over the safety of Canadians.

I am delighted indeed that the Non-smokers Health Act will finally become law. Hopefully, we will start to see a decrease in the number of deaths which ensue from this serious health hazard, smoking.

Smoking is a scientifically proven health hazard, according to the advertisement by the National Campaign for Action on Tobacco. There is no longer any scientific controversy about tobacco being a proven health hazard. Tobacco causes many diseases which lead to serious illnesses, disability and death.

Again, I am very pleased to say that, finally, the Non-smokers Health Act is about to become law.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I too rise to support this important Bill.

As we have known for a very long time, smoking is very dangerous to the health of anyone who smokes. Many people have attempted to quit smoking in recognition of this health hazard. We are told that 30,000 Canadians died prematurely from diseases caused by tobacco smoke. There is one disease that we know of, lung

cancer, which can be prevented by the cessation of smoking.

What we have learned recently, and part of what this Bill attempts to address, are the results of involuntary smoking, in other words, inhaling second-hand smoke. More and more we see studies which indicate that this is a hazard, both to the person who does not smoke but who inhales the smoke and perhaps to women who are pregnant, to their foetus, and has many severe consequences beyond just those for the smoker themselves.

Last week, the Environmental Protection Agency in the United States reported that environmental tobacco smoke is one of the greatest health hazards to indoor pollution. Therefore the kinds of recommendations that are made in this Bill to address adequate ventilation to ensure that it is done in a way that does not contaminate further the air where there is access to smoking rooms, to protect those employees who work in areas where there may be smoking, and to protect those employees, such as those on aircraft, who have long been exposed to second-hand smoke and so on are welcome. In that sense we are very pleased to see this Bill. We know that there are about 32,000 chemical agents in tobacco smoke and over 50 of them have been identified as likely carcinogens. It would be very difficult not to support anything that would reduce this risk to Canadians.

• (1640)

I listened carefully to the Hon. Member who spoke about the concerns of his constituents who are tobacco farmers. One of the important facts to recognize in this case is that the responsibility of the Government in enacting legislation like this, which I believe is responsible legislation to protect the health of Canadians, is to also make sure that the burden for this kind of good legislation does not rest on the workers and farmers. The Government should ensure that adjustments are made for workers and farmers in this industry. That is the responsible way to deal with this type of positive legislation.

I hope the Government will consider those kinds of adjustments so that the workers and the farmers do not bear the economic burden of making these real and positive changes.

Finally I want to give credit to a former New Democratic Member who first brought this to the House. Lynn McDonald, the former Member for Broadview—Greenwood, worked very hard on this issue. Through her determination and work within her own New Democratic caucus, through the committee and the House, and the work she did with her private Member's Bill, she deserves a lot of credit for the legacy she left not just to this House and Parliament but to Canadians as a whole. We in the New Democratic Party support this legislation.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I too want to rise briefly and express my support for the legislation before us. It is rather ironic that we are dealing with a Bill to amend the Non-smokers' Health Act on the same day that we learned of the continuing, persistent and unwanted lobbying of the kind we heard about this afternoon during Question Period with respect to a former highly-placed Conservative, Bill Neville, doing everything he can to prevent health warnings from being published predominately on cigarette packages.

I had an opportunity to work on the committee that originally introduced the Non-smokers' Health Act, for which I too would like to give credit to the former Member for Broadview—Greenwood, as well as for Bill C-51 in respect of smoking more specifically. We have heard expressions of concern from various communities and groups, including the Non-Smokers' Rights Association and the Canadian Medical Association. Mr. Douglas Geekie, who was very instrumental in getting this issue brought to the fore, is watching this legislation very closely.

We also heard from people whose livelihoods were directly affected. We heard from the Haldimand—Norfolk Tobacco Producers' Association who had very specific concerns about programs that the Government is ignoring. That was alluded to by my hon. friend, the Hon. Member for Haldimand—Norfolk (Mr. Speller).

It seems that only one association, the Tobacco Council, came to the committee to try to convince us that smoking does not cause cancer. Every other group and organization, including the tobacco producers and the Town of Haldimand and the regional representatives from that area were quite forthcoming with the committee and basically pointed out that if they had known 40 or 50 years ago what they now know about the potential

dangers of smoking, they would not have been so quick to license tobacco as a legal product, advertise and encourage its distribution.

In light of the information we now have, I am amazed that the tobacco manufacturers actually appeared before a Standing Committee of the House of Commons and tried to convinced us that tobacco smoking did not cause cancer. I am one who has most recently in my own family experienced a direct cause/effect of the relation of cancer to a smoker of many decades who has had part of a lung removed. I know how painful it can be to have to break the habit, but it is certainly something that smokers and non-smokers alike understand, except for the tobacco manufacturers.

I was surprised to hear in the House today the Minister of National Health and Welfare (Mr. Beatty) refer the question of addiction to the Royal Society. Perhaps I misunderstood him, but I took from that statement that the Minister is confused about whether tobacco is an addictive substance. He referred to the fact that he was having the question of addiction referred to the Royal Society for scientific reasons. He seems to be casting some doubt as to whether tobacco is an addictive product. One only has to travel through the hospitals of this country to see people who have just had part of their lung removed, suffering from emphysema and hooked up to oxygen but desperately craving tobacco to realize that no further studies are needed to tell us that it is an addictive substance.

Last week most of Canada's newspapers published a story that was a very powerful indictment of the addictive capacity of tobacco. It was a picture of a young man in British Columbia, I believe, who was in hospital suffering from the after-effects of surgery related to tobacco smoking. It was a picture of him walking along a city street in his bed clothes, hooked up to an I.V. with the needle running through his nose. He was being stopped by an RCMP officer wanting to know what he was doing wandering the streets hooked up to an I.V. He was going to buy cigarettes because the hospital in his neighbourhood had passed a resolution to no longer sell tobacco products. This addicted individual was pushing his I.V. drip along the street because he was desperate for a cigarette. Obviously tobacco is addictive.

If the Minister is truly concerned, and not simply endorsing the Neville phenomenon of doing as little as possible, he should not be asking the Royal Society to examine whether or not tobacco is addictive, he should be drafting specific legislation to inform consumers directly about the dangers of tobacco when they purchase the product.

I am pleased that we are passing this Bill today. I think it is ironic that we are doing so on the same day that we see the machiavellian internal machinations of the Conservative Party come to light with respect to the watering down of specific legislation. I would ask the Minister of National Health and Welfare in particular to reconsider his view that the Royal Society should be considering the question of addiction. It is an addictive substance and I wish he would govern himself accordingly.

[*Translation*]

Mr. Corbeil: Mr. Speaker, I will be brief. On the third reading of Bill C-27, I would like to thank Hon. Members on both sides of the House for kindly agreeing to pass the amendment to the Non-smokers' Health Act without delay.

This cooperation shows us that all Members of this House care about the health and welfare of Canada's working men and women.

Mr. Speaker, you will allow me in closing to express my astonishment every time I hear Members of this House become indignant that those who might not agree with all the legislation that the Government brings forward are criticized for stating their opinion. I think that on the contrary, for the health of democracy in our country, all should have the opportunity to express themselves on everything that interests them and to make their opinions known.

I think that in the end, this helps us pass the best legislation for all Canadians and in closing, I do not hesitate to join in praising the former Member who presented this Private Member's Bill to the Parliament of Canada. This shows once again that our democracy is alive and well!

• (1650)

[*English*]

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

An Hon. Member: On division.

Motion agreed to, Bill read the third time and passed.

* * *

NORDION AND THERATRONICS DIVESTITURE AUTHORIZATION ACT

MEASURE TO ENACT

The House resumed from Friday, June 2, consideration of the motion of Mr. McDermid that Bill C–13, an Act to authorize the divestiture of Nordion International Inc. and Theratronics International Ltd., be read the second time and referred to a legislative committee.

The Acting Speaker (Mr. Paproski): When the House rose at 3.06 p.m. Friday, June 2, 1989, there were nine minutes left remaining in the question and comment period following the speech of the Hon. Member for Ottawa West (Mrs. Catterall). I would now recognize Hon. Members who wish to continue the question and comment, but since the Member is not here, I am afraid I cannot do that. Debate.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I am pleased to have the opportunity to speak on Bill C–13, the Nordion and Theratronics Divestiture Authorization Act. It is something in which I have a great deal of interest. I do not believe that the privatization of these two companies is similar to a normal privatization which the Government would carry out. These are two very special companies. I believe the Government would be making a very severe mistake if it proceeded with the privatization of these companies, and I will relate why I feel this way.

In order to put my views across, it is very important to go back to the founding of Atomic Energy of Canada Limited and to the beginning of the nuclear industry in Canada. It began approximately in 1947 when the NRX reactor was developed in the Chalk River laboratories. Very soon thereafter, we had radio isotopes. These radio isotopes became very important in the treatment of cancer. When AECL was formed in 1952, it was logical that a branch of AECL called Commercial Products would become a separate division of Atomic Energy of Canada Limited. Thereafter AECL and Commercial Products continued to develop their technology for fighting cancer in Canada and eventually throughout the world, becoming more and more dependent upon the Cobalt–60 isotope. This became a world famous treatment.

With respect to that, Commercial Products, which in the early 1970s became two divisions, has developed most of the world's supply of Cobalt–60. AECL has secured a large portion of the world market for industrial units in fighting cancer and in the utilization of Cobalt–60. AECL has provided 71 of the 132 units in operation in the world today.

In the late 1970s, Commercial Products, because of its success and because of the fact that it was entering into the Medical Products Division and having some difficulty in marketing these newer products, Medical Products was split into two different groups. The company which dealt with the radio isotope and Cobalt–60 became the Radio Chemical Company. The unprofitable ventures into medical accelerators resulted in the formation of the Medical Products Division of AECL which looked after the accelerator work, the Cobalt therapy, the medical simulator treatment, planning and manufacture. After it was split off, these accelerators, treatment and therapy units became profitable.

So we have as recently as last year the two divisions, Radio Chemical and the Medical Products Division of AECL, being profitable. In fact, the Radio Chemical Company accounted for 80 per cent of the net income of AECL, the most profitable aspect of AECL. This should count for a great deal because we have heard from this Government that it wants the nuclear energy industry in Canada to thrive, to grow and to be solid. They want it to be secure and they want the people in Canada to have confidence in this industry.

In spite of this rhetoric, the Government has done absolutely nothing to secure these results in Canada. It is reducing the money that is being put into AECL and being put into the Atomic Energy Control Board which regulates the atomic energy industry in Canada. The Atomic Energy Control Board in fact has said in committee that it needs 100 per cent more funding if it is going to do the necessary supervisory work in the nuclear industry, if it is going to fulfil its obligations to find final depositories for high–level nuclear waste and for the other very important jobs that it must do.

Therefore we have these two arms of AECL as recently as last year: the Medical Products Division which became profitable, and the Radio Chemical Company which accounted for 80 per cent of the net income of AECL.

What did this Government do? It decided that it would break these two divisions away from AECL. It put the two divisions under the Canada Development Investment Corporation and changed the names from Radio Chemical Company and Medical Products Division to Nordion and Theratronics, two entirely different corporations divested completely from AECL.

I mentioned earlier the reduced role of the Atomic Energy Control Board. I would like to talk about the problems within AECL itself. AECL was told by this Government: "We are going to cut back your budget. We want you to get into new areas. We want you to develop new technology." AECL has done that. There have been a lot of spinoffs from AECL which can be spun off into the private sector.

It would be unreasonable to say that all of the new technology that AECL has developed should be kept in AECL or should be kept in a separate Crown corporation. To do that would be asking the private sector to fund AECL and to be in competition with them. That would be highly unfair. There are a lot of companies that could be spun off.

The fact is that AECL has done what the Government has asked it to do. The only requirement that I would make to the Government is that when it splits off these areas from AECL and there are technological breakthroughs, that they at least put the money back into AECL. It is AECL technology that has led to these developments. If it wants AECL to look after itself, the Government cannot on the one hand say: "You have got to sell off these profitable arms", and on the other "put the money into the consolidated revenue account."

That being the case, generally I would say that new technology developed within AECL should be spun off into the private sector. However I make exceptions in the cases of Nordion and Theratronics because these are two unique companies. They deal first in health-related matters. They deal in matters that have been under the arm of AECL for many years. In fact, Radio Chemical, the radio isotopes and the Cobalt-60 technologies go back to before the actual coming into being in 1952 of AECL itself.

• (1700)

AECL is dependent for 80 per cent of its net income on Nordion and its predecessor branches. If those two companies are spun off, AECL will not be able to rely on that income from them. In addition to not being able to rely on the funding, AECL will not be given the sale price of the two companies. It is estimated that $150 million will be brought in for the sale of Nordion and that Theratronics will bring between $50 million and $70 million. As far as we know, that money will go into the Consolidated Revenue account. AECL is going to lose its source of income year after year and will not be the recipient of the sale price of these two very important companies.

The Government believes, of course, that it can blunt any criticism about the sale of these two companies by taking them away from AECL before the actual sale and putting them in the Canada Development Investment Corporation. It did so to try to make these sales more palatable. The problem is that that cannot change the facts. These two companies are very important to AECL, they are very important to the future of AECL and they are very important, through the future of AECL, to the health of the nuclear industry in Canada.

Whatever your feelings about the nuclear industry, it is going to stay. We are not going to spend the billions of dollars in Ontario, New Brunswick and Quebec which would be needed to replace the nuclear reactors which exist and are providing that power. First and foremost, we must ensure that our nuclear industry is healthy. We keep it healthy by properly financing the umbrella that looks after the technology of our industry, that being AECL, and we make sure that our supervisory branch, the Atomic Energy Control Board, is properly supervised.

There is another reason why we should not be selling Nordion. That is,because Nordion has now developed the technology for irradiated food and they can sell this technology throughout the world. The problem is that there is a great deal of concern about irradiated food, not only in Canada but in countries throughout the world. There is a great deal of work to be done to ensure that this technology is further enhanced and is developed to remove the concern.

We know that the major problem with nuclear products is the concern of the public. It does not matter how good the technology is or how acceptable the product is, if we continually have to deal with apprehension by the public the nuclear industry in Canada is going to be inhibited, it is going to be a problem for government and is going to be a problem for the country. We must have the technology necessary to assure that irradiated food is brought within the realm of acceptance of the Canadian public, not through jingles or through public indoctrination but through fact and acceptance through the normal channels.

Canada and Nordion are so far ahead of the rest of the world in this technology that if we sell Nordion and its irradiated food technology, a private company could get its money back without doing any further research in this field. It could absolutely milk the technology for which the citizens of this country have paid over the last 37 years and we would be the losers. The world would be the loser. The countries where spoilage and bacteria of food supplies are a problem would be the losers. The Third World would be a very severe loser. We are playing with benefits which will come ultimately not only to Canada but to all mankind. If we can develop this technology it will be a source of tranquility for the world in general.

If there is no further technology, we will not have that assurance and we will also lose the edge that Canada has in this very important technology. Most important, we are playing with the health of Canadians and all citizens of the world. These are health-related companies. There is nothing that says we have to abandon every Crown corporation we ever had. There has to be some logic, some responsibility when dealing with the privatization of Crown corporations. Surely to heavens, companies that deal in products which affect the health of Canadians and people throughout the world must be kept under the federal umbrella to ensure that the technology dealt with is brought to a stage acceptable to Canadians.

The Government says that it handed out irradiated cookies to children and they could not taste the difference. What kind of an experiment is that? What kind of an assurance is that? If those parents knew that their children were eating those irradiated cookies there would be one heck of an outcry. The Government has not been able to say which children ate those irradiated cookies, but that is not the way in which the Government of Canada is going to be able to sell irradiated food to this country.

It is vital that the Government keep this technology within the framework of a Crown corporation or agency so that it can maintain the development, so that this technology will not be aborted and will not be commercialized by a private company in order to make a fast profit, thereby scaring the rest of the world and making this technology forever taboo. This is vital, Mr. Speaker. It is absolutely vital that the Government maintain the technology.

We have been told that the Government cannot retain the technology in Nordion because Nordion is under AECL and you know how long it takes for AECL to make any decisions. Well, it is the Government that takes the time in making decisions. If the Government wanted to make decisions more quickly with respect to Nordion and Theratronics, it could do so through its own actions. It does not have to pass any legislation, it does not have to coerce the business community, it does not have to frighten the Canadian public, it can do it through its own operations, its own management facilities, through a more efficient administration. It does not need to get rid of the company.

Some say that if the private sector is involved in Nordion we have a better chance to raise capital. Who is going to give the capital to AECL to replace the money it is losing if Nordion and Theratronics are privatized? The Government says that it wants a healthy nuclear industry in which the people of Canada have confidence. It is doing the opposite by privatizing these two very important and very lucrative Crown corporations.

I ask the Government to reconsider the privatization of these two corporations. I hope that second reading will be all we will be able to attain before we adjourn for the summer in order to give the Government the opportunity to rethink what I think would be a very serious mistake, that being the privatization of Nordion and Theratronics.

The Acting Speaker (Mr. Paproski): Is the House ready for the question? The Hon. Member for Renfrew (Mr. Hopkins).

Mr. Len Hopkins (Renfrew): Mr. Speaker, the Bill before us today is obviously one on which the Government wants fast passage. I was afraid for a moment that you were not going to recognize me out of the corner of your eye. I consider this Bill on radio-medical isotopes and Theratronics International dealing with cancer research to be one of the most important Bills that we will

see before this Parliament in this session. It should never be passed over lightly.

As my colleague has just stated, the Government of Canada has come up with two Crown corporations and passed them over for sale.

• (1710)

This Bill will pave the way for that sale of the radio medical isotope industry in this country, and of the cancer therapy units and all its related research to private enterprise in this country. All this research that is now up for sale by this Government has been created by public funds. It has been created through the excellent research and development over the years by Atomic Energy of Canada Limited.

Of all the comments we hear about radiation and nuclear energy today, it is without a doubt the most progressive factor and factors which have happened in our modern day society. The research was done basically at Atomic Energy of Canada Limited. The radio medical isotope industry became very profitable. We have produced 60 per cent of the world's supply. We sell around the world. We are well known for a first class product.

The cancer therapy units are also well known around the world. All we have to do is take a look at the background of these two companies which have been created in those two medical areas and we will find that the sales are basically international. All this research which was done in the background, we are selling it to private enterprise. What is John Q. Public getting in return? What is Atomic Energy of Canada, as the senior parent company, getting in return? They are getting absolutely zero. That is a crime.

This Government is stealing from the Canadian public by selling these two Crown corporations with nothing to show in return. This is a government which says to Atomic Energy of Canada Limited: "You have to pay your way or we are not going to give you any money. However, while you are trying to pay your way what we are going to do is take away all those profit-making ventures which you have created on your research money over the years". Then the Government turns around after robbing the bank and says: "Now pay your way." It is like sending someone out to the bank on behalf of the Minister responsible for the Treasury Board, taking out his entire bank account and saying: "Now you've got to pay your mortgage".

This Bill today, with these two very important medical institutions being sold to private enterprise at large, is a sin.

Theratronics International Limited has done fantastic work in research on cancer and on the treatment of cancer. It is well known around the world, well tried and safe, in spite of all the gossip we hear to the contrary about the nuclear industry today for peaceful purposes. Atomic Energy of Canada deals in it for peaceful purposes. Radio medical isotopes are used in many areas of the medical field. Indeed, they are used in other areas as well in the form of isotopes.

The Prime Minister (Mr. Mulroney) sent a telex into my constituency during the election campaign of 1984. He stated that not only would the government under his prime ministership keep paying and keep contributing to research and development in Atomic Energy of Canada Limited at the same level, but it would consider improving it. That was his commitment in 1984. In February of 1985, when the present Minister of Finance (Mr. Wilson) brought in his Budget, what did he do? Condoned by Cabinet, he brought in a $100 million cut for Atomic Energy of Canada Limited. That was the way the Prime Minister of Canada kept his promise.

Then, as the Government kept taking money out, it not only took that $100 million out—it still has a year or so to go on it depending what decision the Minister of Energy, Mines and Resources (Mr. Epp) gives here—but it also lifted $70 million out of the reserve fund to the company. Not only is the Government selling off two very profitable areas, set out on life by AECL, but it is also taking money right out of the bank of the corporation itself. Then the Government turns around and has the nerve to say: "Pay your way". No businessman can run an operation in that way. These people are supposed to be business heads over here. I do not know where they got their experience with that kind of philosophy floating around today.

Listen to this, Mr. Speaker, on March 31, the Minister of Energy, Mines and Resources made an announcement that he and his deputy minister and the acting president at the present time, who is an outstanding public servant, were forming a special committee to liaise with the Board of AECL in order to bring in a new management and a new type of direction for Atomic Energy of Canada Limited. Here is what he said: "Let me state clearly that the federal Government fully supports the Canadian nuclear program." Fully supports. However, on page 1 of the same letter, which went out to all employees of AECL across the country, he said: "The sources for continuing the necessary level of research and development funding are uncertain."

At the same time that this Government is tremendously in support of research and development, it is uncertain where the money is going to come from. There is not an aggressive, forward looking industrial nation on the face of this earth, except this Government now in Canada, who is saying to its research and development organizations: "You pay your way." Those governments are making a public commitment to them. Japan is making a public commitment to them. The United States makes public commitments to them. Great Britain makes public commitments to their R and D organizations. However, what do we say to them here in Canada? We say: "If you make a buck, we are going to rob the bank. We are going to take everything out of your bank and then if you create a profitable company, we are going to take it over and we are going to sell it, and we are going to put the money"—as my hon. friend has just said—"into the treasury of Canada, the Receiver General of Canada." For what? How can you ever go out and complain about a company not paying its way in research and development when you are taking away its bank account?

The action taken in 1985 clearly mapped out the road that this Government was taking. It failed to give support to science in this country. The Government said: "Pay your way, yet I am going to take away your profitable parts."

What about these private enterprise companies that are going to purchase these two companies, Nordion International, which produces radio medical isotopes, and Theratronics International on cancer equipment and cancer research? Mr. Speaker, can you imagine a government selling off stuff like that when it has been such a success where it is right now? The Government is going to say: "We are selling it off to private enterprise."

It is a continuation on the part of this Government. It has already proven itself to be friends of the drug companies. Now, it is the friends of the people who want to take away the cancer research and the cancer equipment which has been produced in this country, free of charge, research done with public funds. At the same time, the Government also wants to sell off to its friends the radio medical isotope industry in this country. I say, shame on it.

Public funds provided all kinds of good research and development in Atomic Energy of Canada Limited. Now, what is happening here? My hon. friend has just stated that not only is Atomic Energy of Canada being cut back—and I do not mean just cut back, it was 50 per cent, Mr. Speaker—but also the Atomic Energy Control Board is being interfered with. If there is anything that is needed more to build confidence in the nuclear industry of this country it is to have a strong well-equipped Atomic Energy Control Board to do the job that will give all Canadians confidence in the industry. The people across the way are destroying that. This Government has already proven itself to be the friend of the drug companies and now it wants to befriend other big enterprises by selling off these research and development arms.

• (1720)

What is going to happen in the future to these well-founded institutions? Atomic Energy of Canada Limited has produced Candu reactors for the production of hydroelectric power in this Province of Ontario and in other provinces of Canada. If it were not for that we would not be enjoying the standard of living that we are enjoying as Canadians today, because that hydroelectric power feeds half the industry in Ontario, to say nothing of the production of the jobs that are there because of the research done by AECL.

We now have a special committee looking into how the industry is going to fund itself because the Government has made a big decision that in no way will it support the industry. The Government is going to wave a flag and say "We do love you. We are in favour of you. The Government is fully in support of you, but you get out and raise your own money after we take the money you have already and after we take the profitable assets that you

have and sell them off". What terrible business management, Mr. Speaker.

The future energy projections in this country are very obvious. We have heard about recent updates of the energy needed in the years to come. Maybe there are people who do not think this is related to this Bill. What I am saying, what my colleague has said, and what my hon. friend from Newfoundland said on the first day this Bill came before the House is that this industry must be kept going if we are to meet the energy needs for the future. A lot of the waterways in this country have been used up. Are we going to move into northern Ontario now and block up James Bay, because we are not putting money in from the profitable areas of Atomic Energy of Canada Limited, these two crown corporations that the Government wants to sell via Bill C-13? I know the Members across the way cannot see this because they have tunnel vision when it comes to discussing these things known as energy, radio-medical isotopes, cancer therapy units and all related equipment thereto, namely, the research done by the parent company.

I said on May 1 in this House, I am saying it again today and I will keep on saying it, that I wish this Government would come to its senses, retain these two Crown corporations and let the funds from them go back into research and development so that things can continue. The Government has its source. What will it have after it sells these two profitable companies? Your income ends right there.

Mr. McDermid: Speak to the employees.

Mr. Hopkins: The Minister of State for Privatization and Regulatory Affairs (Mr. McDermid) says speak to the employees. I have spoken to them.

Mr. McDermid: When?

Mr. Hopkins: They are worried that if the corporation does not get sold out the Government will close other operations down and they may well become the victims.

Mr. McDermid: That is not what they are afraid of at all.

Mr. Hopkins: The Hon. Member does not want to hear that. He does not understand that part of it.

I am absolutely firm in my stand that the profits from these offshoots that originated with Atomic Energy of Canada Limited should go back into the parent company to help finance them. There will come a day, if the Government lets this corporation go down the drain, if it is reduced, if it cannot operate, when someone will have to pick up the tab. You cannot let it go down the drain because reactors have to be serviced. You cannot turn off the tap in industrialized Canada. If you do, you are turning off the tap on the dollars that this Government needs to gobble up for projects under way.

The Government wants all the money it can get and yet it is selling off some of the best assets we have in Canada.

Mr. McDermid: Nonsense.

Mr. Hopkins: The Minister says "nonsense". What kind of nonsense is it to have two Crown corporations sold off that are making money for Atomic Energy of Canada Limited, to take the money out of the reserve funds, to cut the Budget and then turn around and say "You guys pay your own way"?

Mr. McDermid: They are being bled to death by the parent company. That is why.

Mr. Hopkins: That kind of logic has got through to him. He is suddenly thinking. If there was one thing I wanted to do in this speech it was to start the thinking process within the mind of the Minister for privatization. I hope he continues to think about this all night. I hope the Government decides to do so as well because it is cutting off some of the finest products ever produced with public funds in this country.

Mr. McDermid: Nonsense. They are being cut off.

Mr. Hopkins: That public funding is needed to continue sponsoring Atomic Energy of Canada Limited so it can continue its role in research and development in this country as one of the gems of research, not only in the medical field but in the energy and in many other fields as well.

I was quite interested in the Minister's letter. I hope that he will come out with a very positive program for this corporation. It will be very interesting to see how this whole matter is turned around and how the Government will continue to tell Atomic Energy of Canada Limited to "pay your own way. But if you make a buck we want it for the federal treasury. Once we get it in the

federal treasury you are not getting it back because we are not going to fund you any more. You have to pay your own way". That is Tory logic.

How anyone is supposed to cope with that kind of mentality, I do not know.

I simply want to say in closing that this Government is permitting the biggest offence to research and development and the continuing of good research and development as it passes this Bill than has ever been committed in the past. That is really saying something, Mr. Speaker.

I implore the Government not to sell these Crown corporations. Let the money go back into further research and development. The country will then be on a solid basis.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, I have a few comments in regard to this legislation. Before I begin I would like to say that I thoroughly enjoyed the speech of my Liberal colleague who just had the floor. I think the points he made were extremely salient. The arguments he made were well developed and I certainly concur wholeheartedly with him.

This legislation is going to permit the Government to privatize Nordion and Theratronics, two wholly-owned subsidiaries of the Canada Development Investment Corporation. Nordion, formerly a radio-chemical company, and Theratronics, are both world leaders in nuclear medicine. Over 90 per cent of their sales come from export markets. When we look at the companies, we see that Nordion had annual sales of $90 million. Nordion is a leading global supplier of industrial sterilization systems and medical diagnostic products. Theratronics had annual sales of $40 million. It produces and markets Cobalt therapy machines to clinics and hospitals, not only in Canada but throughout the world. Together those two companies employ almost 700 people.

• (1730)

These are two very profitable, successful companies which are spin-offs from Atomic Energy of Canada. This is a demonstration that a Crown corporation can pay its own way. As soon as these two subsidiaries were showing that they could hold their own and pay their own way, that they could turn themselves into profit-seeking ventures, the Government sought to privatize them. It sought to give what has been years and years of Canadian investment of taxpayers' money and public interest in the development of a nuclear industry and nuclear technology away to the private sector. This is after Canadian taxpayers have taken the risk in developing these companies.

It seems to me to be illogical for the Government to say that it does not want any longer something that is working well. Everyone agrees that if Crown corporations can become profitable, that is great, but the Government cannot have its cake and eat it too. It cannot have a profitable corporation and then, because it is profitable, give it away to the private sector. How can we expect a Crown corporation to continue with profitable spin-offs when as soon as it develops one, it is taken from it? It is like the old saying, if it is not broken, why fix it. That is clearly the case with these two companies.

The private sector will milk all the advantages of the risk taking and development of technology that has occurred through the structuring of these two companies. The private sector will reap the advantages of those years of public investment.

Something that is also of concern is the fact that through privatizing these two corporations, the Government is closing a window of opportunity to maintain a level of influence, control and direction in the high-tech industry, particularly in the field of nuclear medicine. It is a very important window to maintain control through. It is an area of expansion in our technological evolution, and I see no reason, nor do my colleagues, for giving up the kind of leverage we could maintain by holding on to these companies in the public sector. Once we give up that leverage, we will have less ability to direct that technological evolution which Canada must be at the forefront of if it wishes to maintain its position in this industry.

Privatizing these companies will inevitably open the door for the potential for American control of Canada's nuclear medicine industry. I want to point out that this is the first time a nuclear company is to be privatized. In recognizing that decision, we have to question the health and security risks that go along with the privatization of such a firm. Of real concern is the fact, for example, that Theratronics will not be protected from any foreign investment control. It would be a mistake to see Canada's nuclear industry and nuclear technologies become controlled or owned outright by other than Canadian

hands. I would submit that in light of the Free Trade Agreement, that potential exists.

It is also important to recognize the philosophical direction the Government has taken. It has continued its mindless following of the corporate agenda, to try to pare down the size of Government, to try to privatize all the Crown corporations that have been developed through the risks taken in the public sector using taxpayers' money. The Government is willing to throw that away because of pressures brought on by the corporate agenda. It is a mistake, in light of the importance of this industry to the future of Canada and the future of technological evolution, to lose control of those industries.

In light of those arguments, I would like to conclude by saying that I cannot over-stress the importance of maintaining that control. I cannot over-stress my feeling and that of my colleagues on this side of the House about the dangers of privatizing these companies, particularly in light of the Free Trade Agreement. I believe it is a serious error. I maintain that these are two profitable companies that demonstrate amply that a public utility or a Crown corporation, if run properly with good management, can become profitable. Why throw it out? If it ain't broke, don't fix it.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on the motion of Mr. McDermid. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed to the motion will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the yeas have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Call in the Members.

Mr. Cooper: Mr. Speaker, I rise on a point of order. I am sure that if you were to ask the question of the House, you would find that there would be an agreement to defer the vote to six o'clock along with the other votes.

The Acting Speaker (Mr. Paproski): Is that agreed?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): Agreed and so ordered.

* * *

JUDGES ACT

MEASURE TO AMEND

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada) moved that Bill C-30, an Act to amend the Judges Act, be read the second time and referred to a legislative committee.

Mr. Cooper: Mr. Speaker, I rise on a point of order. We have had consultations with the other Parties, and I believe that you will find that there would be consent to refer this Bill to the Committee of the Whole House rather than to a legislative committee so that we could complete all stages this afternoon.

The Acting Speaker (Mr. Paproski): Is that agreed?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): Agreed and so ordered. Accordingly, the Bill stands referred to a Committee of the Whole House.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to rise to put some facts on the record with respect to Bill C-30, an Act to amend the Judges Act. Hon. Members will know that with respect to the number of provincial governments and appointments to the bench, there is a need from time to time to increase the size of the Superior and County Courts in all the provinces. Over the past few years, the demands on the court system have increased significantly. The workload of federally appointed judges across Canada has reflected this increased demand, and for this reason, we are appearing today with this Bill to try to adjust the number of possible appointments to take care of that demand.

The Judges Act provides for a specific number of judicial positions for each Section 96 Court. At the present time, there is a provision for a pool of 49 unassigned judicial positions so that additional judges may be appointed as the provinces and the territories increase the size of their courts between periodic amendments without the need to amend the Act for each individual judge.

• (1740)

Bill C-30 will add 35 judges to the specified authorized levels in six provinces and the Northwest Territories, in response to increases in the size of their courts which have occurred since 1985. The courts affected include provincial courts of appeal, and trial courts at both the superior court and county court levels.

Of the 35 positions which the six provinces and the Northwest Territories have created, the Governor General has drawn on the "pool" provision in the Judges Act to make appointments to 21 of those positions since 1985. An additional 14 positions, therefore, would remain to be filled as a result of the amendments contained in Bill C-30.

Bill C-30, consequently, will also "replenish" the Judges Act "pool" by re-enacting the relevant Section to make contingent provision for future increases in the number of judicial positions.

Another important aspect of Bill C-30 is that it will implement three more of the recommendations of the 1986 commission on judges' salaries and benefits, which was established pursuant to the Judges Act and is commonly referred to as the Guthrie Commission after its Chairman, Mr. H. Donald Guthrie, Q.C. The report and recommendations of the Guthrie Commission were tabled in this House by my predecessor, the Hon. Ray Hnatyshyn, on March 11, 1987.

In 1981 the Judges Act was amended to provide, with effect from 1979, an accountable annual allowance for judges in the amount of $1,000, separate from salary, "for reasonable incidental expenditures that the fit and proper execution of the office of judge may require". This incidental allowance applies against the cost of repair and replacement of court attire, the purchase of law books and periodicals, membership in legal and judicial organizations and other similar expenses not recoverable under any other provision of the Judges Act.

This $1,000 allowance is obviously inadequate. It has not been changed in 10 years. The effects of inflation will be well known to the House. Therefore, we are increasing that to $2,500. It is a modest increase and we think that it will do the job.

Bill C-30 will also extend to retiring judges of the Supreme, Federal, and Tax Courts of Canada, and to the surviving family members of judges of those courts who die in office, the benefit of a removal allowance to cover moving expenses to facilitate their relocation outside of the National Capital Region, which is where judges of those courts are required to live. In order to qualify for the allowance, the judge must have been resident outside of the National Capital Region before his or her appointment to the court in question. This removal allowance must be utilized within two years of the judge's retirement or death. This removal allowance was recommended by the Guthrie Commission, and we are also pleased to put it into effect.

The third big change is when a judge dies in office, a lump sum "gratuity" equal to one-sixth of the judge's annual salary at the time of death is currently payable to the surviving spouse pursuant to a series of Treasury Board minutes that date back to 1965. Bill C-30 will convert that lump sum payment which was on an *ex gratia* basis to a statutory entitlement, which was another recommendation of the Guthrie Commission.

Bill C-30 will increase from $4,000 to $6,000 the northern allowance provided to judges of the Yukon and Northwest Territories Supreme Courts, to compensate for the higher cost of living in the territories.

This is what might be called a housekeeping Bill. I appreciate the opportunity to consult with my colleagues opposite and the co-operation which they have given to us in allowing us to pursue second reading, Committee of the Whole House, and hopefully third reading stage today.

Hon. Bob Kaplan (York Centre): Mr. Speaker, I see that there are 15 minutes left and we hope to get the Bill through all three stages by 6 p.m. The Minister summed it up well when he called it a housekeeping Bill. It is that.

I have read the provisions and I am satisfied to offer the support of the Official Opposition.

I only wish that the Minister were more ambitious and that we were doing more than housekeeping in the justice area. His predecessors saw that Canada was suffering from a drug epidemic and attempted to do things about that. They referred to pornography as an epidemic, and they were going to do something about that. We have witnessed law after law, some passed by the preceding Parliament, struck down by courts at various levels, and there has been no response.

I want to take this opportunity to urge the Government to not only be a housekeeper, not only take orders from the provinces and deliver them in Parliament, but to do something substantial in the way of law reform and in the way of advancing the interests of a good system of justice in Canada.

Mr. John Brewin (Victoria): Mr. Speaker, we too are pleased to support this Bill on the basis that has already been put forward. However, we do not wish to let this occasion pass without making some additional comments. As my colleague, the Hon. Member for York Centre (Mr. Kaplan) has stated, the Minister might have been more ambitious.

Perhaps the Minister could advise us whether he has taken the opportunity, since the meeting of the Justice and the Solicitor General's Committee to read the report by Professors Peter Russell and Jacob Ziegel from Toronto on federal judicial appointments, an appraisal of the first Mulroney Government's appointments. At that committee meeting, which was approximately 10 days ago, the Minister stated that he had not read the report. Apparently, he at least had noticed the clippings in *The Globe and Mail* because he had well formed views on the subject, without having read the report. I would hope that in the interval he has read the report. The report is a searing indictment of this Government's approach to judicial appointments. It is essential for the integrity of the judiciary that the Government decide that it is going to make its mark in Canadian history and be the first Government in the history of this country to make judicial appointments on a non-partisan basis.

The Minister stated before the committee—my Liberal friend from Kingston asks: "What do you think we were doing?" I have to give the Government credit for at least improving on the Liberal system.

Some Hon. Members: Oh, oh!

Mr. Brewin: Again, I have lost my friends to my right, and I have the Minister of Justice (Mr. Lewis) on my side.

The Hnatyshyn system at least added a veneer of review of the qualities of judicial appointments. It is clear that the Russell and Ziegel study shows that the Government has failed in its objective of cleaning up judicial appointments in this country. It is essential, if the public's overwhelming desire to see that our judiciary's integrity is preserved and that justice is not only done but seen to be done that the Government and Parliament take a very serious look at how judicial appointments are made.

The Government can, if it wishes, it has the freedom to do so, choose to continue to abuse judicial appointments and the judicial process. However, if it wishes to survive through the views of the electorate in the next election, it will have to take this issue far more seriously than it has. Judicial appointments are absolutely critical to how our system of justice works. It has been one of the travesties of Canadian history that repeated Governments have used judicial appointments to reward their friends.

The present system involves a number of groups in vetting judicial appointments, but it still has allowed the Government far too much latitude to pick and choose its friends. We have, therefore, comments coming from the professors along the lines of: "We see no reason why Canadians should acquiesce in a system that seems bound every year to produce a few really bad appointments to the higher courts of this country."

Mr. Milliken: Who?

Mr. Brewin: Last year the federal Government set up a non-partisan vetting committee in each province to rate would-be judges. The criteria for applying have received scant publicity, and it would appear that most of the candidates now being assessed by the committees came through the old networks that brought names to the attention of the Minister.

• (1750)

Mr. Milliken: Name them.

Mr. Brewin: My Liberal friend wants me to name them. That is the old tactic. The *Canadian Advocate* produced a study which is severely critical, as are many lawyers in the country, of the capacity of many judges.

That fact can be ignored if the Government and the Liberals wish to do so.

Mr. Milliken: It does not mean that they are Party hacks.

Mr. Brewin: The studies suggest that, in fact, it is the partisan nature of the appointment that is the source of the few really bad appointments.

It is interesting, is it not, Mr. Speaker, and I can see the Minister of Justice smiling as the Liberals leap to his defence, that in the system of patronage—

Mr. Lewis: I was smiling at you.

An Hon. Member: We cannot have it both ways.

Mr. Brewin: We cannot have it both ways? I think we are all consistent. The NDP has consistently stood for the independence of judicial appointments. The Liberals and the Conservatives appear united in speaking against it. It is time for judicial appointments to be taken out of political patronage.

We remember the Prime Minister (Mr. Mulroney) in the 1984 debate scoring so many points with the public by leaving the impression that he was going to clean up the patronage system. He has simply not done that in the area of judicial appointments. The Minister can choose to ignore that if he wishes, but he will do so at the peril of the judicial system and the administration of justice.

I think the time has come for us to vote on this particular Bill and for all Parties in the House to pledge to do what we can to clean up the system of appointments in Canada.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. Paproski in the chair.

Clauses 1 to 14 inclusive agreed to.

Title agreed to.

Bill reported, read the third time and passed.

The Acting Speaker (Mr. Paproski): Is there unanimous consent to call it six o'clock?

Some Hon. Members: Agreed.

Mr. Lewis: Mr. Speaker, I rise on a point of order. Since the bells were to commence ringing at 6 p.m. and ring until 6.15 p.m. I imagine that it would be with consent that the bells should ring until 6.15.

The Acting Speaker (Mr. Paproski): Agreed and so ordered.

* * *

CANADIAN EXPLORATION AND DEVELOPMENT INCENTIVE PROGRAM ACT

MEASURE TO AMEND

The House resumed from Wednesday, June 22, consideration of the motion of Mr. Epp that Bill C-19, an Act to amend the Canadian Exploration and Development Incentive Program Act, be read the third time and passed; and the amendment of Mr. MacLellan:

> That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:
>
> "Bill C-19, an Act to amend the Canadian Exploration and Development Incentive Program Act, be not now read a third time but that it be read a third time this day six months hence."

The Acting Speaker (Mr. Paproski): It being 6 p.m., the House will now proceed to the taking of the deferred division on the amendment of Mr. MacLellan.

Call in the Members.

The House divided on the amendment (Mr. MacLellan), which was negatived on the following division:

• (1800)

(Division No. 50)

YEAS

Members

Allmand	Anawak
Angus	Assad
Axworthy (Winnipeg South Centre)	Bellemare
Benjamin	Berger
Blondin	Boudria
Brewin	Caccia
Campbell (South West Nova)	Catterall
Clancy	Copps
Crawford	Dionne
Finestone	Fisher
Flis	Fontana
Foster	Fulton
Gaffney	Gagliano
Gardiner	Gauthier
Harvey (Edmonton East)	Hopkins
Hunter	Jordan
Kaplan	Karpoff
Keyes	Kilger (Stormont—Dundas)
Kristiansen	Lee
MacDonald (Dartmouth)	MacLellan
MacWilliam	Maheu
Manley	Marleau
McCurdy	McLaughlin

Mifflin
Mitchell
Nystrom
Phinney
Proud
Rideout
Rodriguez
Simmons
Skelly (Comox—Alberni)
Stewart
Taylor
Wood
Young (Beaches—Woodbine)—71

Milliken
Murphy
Parker
Pickard
Prud'homme
Riis
Rompkey
Skelly (North Island—Powell River)
Speller
Stupich
Vanclief
Young (Gloucester)

NAYS

Members

Anderson
Atkinson
Beatty
Bernier
Blackburn (Jonquière)
Blenkarn
Bouchard (Roberval)
Boyer
Cadieux
Cardiff
Chadwick
Chartrand
Clark (Brandon—Souris)
Cole
Cooper
Côté
Crosbie (St. John's West)
Darling
de Cotret
Dobbie
Duplessis
Epp
Ferland
Friesen
Gibeau
Greene
Guilbault
Halliday
Hicks
Holtmann
Horning
Hughes
Jelinek
Joncas
Koury
Langlois
Layton
Lewis
Lopez
MacDougall (Timiskaming)
Marin
Masse
Mazankowski
McDermid
McKnight
Mitges
Nowlan
O'Kurley
Plourde
Reid
Ricard
Roy-Arcelin
Schneider
Shields
Sobeski
Sparrow
Tardif
Thacker
Tremblay (Lotbinière)
Valcourt
Vankoughnet

Andre
Attewell
Belsher
Bertrand
Blais
Bosley
Bourgault
Brightwell
Campbell (Vancouver Centre)
Casey
Charest
Clark (Yellowhead)
Clifford
Collins
Corbeil
Couture
Crosby (Halifax West)
DeBlois
Della Noce
Domm
Edwards
Fee
Fontaine
Gérin
Gray (Bonaventure—Îles-de-la-Madeleine)
Grey (Beaver River)
Gustafson
Hawkes
Hogue
Horner
Hudon
James
Johnson
Kempling
Landry
Larrivée
Leblanc (Longueuil)
Littlechild
MacDonald (Rosedale)
Malone
Martin (Lincoln)
Mayer
McCreath
McDougall (St. Paul's)
Merrithew
Monteith
Oberle
Plamondon
Pronovost
Reimer
Richardson
St-Julien
Scott (Hamilton—Wentworth)
Siddon
Soetens
Stevenson
Tétreault
Thompson
Turner (Halton—Peel)
Van de Walle
Venne

Vézina
Vincent
White
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Worthy—132

Vien
Weiner
Wilbee
Winegard

• (1820)

The Acting Speaker (Mr. Paproski): I declare the amendment lost.

Mr. Hawkes: Mr. Speaker, I think you would find unanimous consent of the House to call the vote on Bill C-13 next, followed by Bill C-9 and then Bill C-17. In that same vein, I think the results of the vote we just completed could be applied to Bill C-13 but in reverse.

Mr. Gauthier: Agreed.

Mr. Kindy: I rise on a point of order, Mr. Speaker. I am voting with the Government on Bill C-13.

* * *

NORDION AND THERATRONICS DIVESTITURE AUTHORIZATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. McDermid that Bill C-13, an Act to authorize the divestiture of Nordion International Inc. and Theratronics International Limited, be read the second time and referred to a legislative committee.

The House divided on the motion, which was agreed to on the following division:

(Division No. 51)

YEAS

Members

Anderson
Atkinson
Beatty
Bernier
Blackburn (Jonquière)
Blenkarn
Bouchard (Roberval)
Boyer
Cadieux
Cardiff
Chadwick
Chartrand
Clark (Brandon—Souris)
Cole
Cooper
Côté
Crosbie (St. John's West)
Darling
de Cotret
Dobbie
Duplessis
Epp
Ferland
Friesen
Gibeau
Greene
Guilbault

Andre
Attewell
Belsher
Bertrand
Blais
Bosley
Bourgault
Brightwell
Campbell (Vancouver Centre)
Casey
Charest
Clark (Yellowhead)
Clifford
Collins
Corbeil
Couture
Crosby (Halifax West)
DeBlois
Della Noce
Domm
Edwards
Fee
Fontaine
Gérin
Gray (Bonaventure—Îles-de-la-Madeleine)
Grey (Beaver River)
Gustafson

Halliday
Hicks
Holtmann
Horning
Hughes
Jelinek
Joncas
Kindy
Landry
Larrivée
Leblanc (Longueuil)
Littlechild
MacDonald (Rosedale)
Malone
Martin (Lincoln)
Mayer
McCreath
McDougall (St. Paul's)
Merrithew
Monteith
Oberle
Plamondon
Pronovost
Reimer
Richardson
St-Julien
Scott (Hamilton—Wentworth)
Siddon
Soetens
Stevenson
Tétreault
Thompson
Turner (Halton—Peel)
Van de Walle
Venne
Vien
Weiner
Wilbee
Assiniboia)
Winegard
Hawkes
Hogue
Horner
Hudon
James
Johnson
Kempling
Koury
Langlois
Layton
Lewis
Lopez
MacDougall (Timiskaming)
Marin
Masse
Mazankowski
McDermid
McKnight
Mitges
Nowlan
O'Kurley
Plourde
Reid
Ricard
Roy-Arcelin
Schneider
Shields
Sobeski
Sparrow
Tardif
Thacker
Tremblay (Lotbinière)
Valcourt
Vankoughnet
Vézina
Vincent
White
Wilson (Swift Current—Maple Creek—
Wilson (Etobicoke Centre)
Worthy—133

NAYS

Members

Allmand
Angus
Axworthy (Winnipeg South Centre)
Benjamin
Blondin
Brewin
Campbell (South West Nova)
Clancy
Crawford
Finestone
Flis
Foster
Gaffney
Gardiner
Harvey (Edmonton East)
Hunter
Kaplan
Keyes
Kristiansen
MacDonald (Dartmouth)
MacWilliam
Manley
McCurdy
Mifflin
Mitchell
Nystrom
Phinney
Proud
Rideout
Rodriguez
Simmons
Skelly (Comox—Alberni)
Stewart
Taylor
Wood
Young (Beaches—Woodbine)—71
Anawak
Assad
Bellemare
Berger
Boudria
Caccia
Catterall
Copps
Dionne
Fisher
Fontana
Fulton
Gagliano
Gauthier
Hopkins
Jordan
Karpoff
Kilger (Stormont—Dundas)
Lee
MacLellan
Maheu
Marleau
McLaughlin
Milliken
Murphy
Parker
Pickard
Prud'homme
Riis
Rompkey
Skelly (North Island—Powell River)
Speller
Stupich
Vanclief
Young (Gloucester)

The Acting Speaker (Mr. Paproski): I declare the motion carried.

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

The Acting Speaker (Mr. Paproski): The House will now proceed to the taking of the deferred division of the amendment of Mr. Rodriguez to the motion for third reading of Bill C-9, an Act to amend the Bank Act.

* * *

BANK ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Loiselle that Bill C-9, an Act to amend the Bank Act, be read the second time and referred to the Standing Committee on Finance; and the amendment of Mr. Rodriguez (p. 989).

The Acting Speaker (Mr. Paproski): Shall I dispense with the ringing of the bells?

Some Hon. Members: Dispense.

The House divided on the amendment, which was negatived on the following division:

• (1830)

(*Division No. 52*)

YEAS

Members

Angus
Brewin
Fulton
Harvey (Edmonton East)
Karpoff
MacWilliam
McLaughlin
Murphy
Parker
Rodriguez
Skelly (Comox—Alberni)
Taylor
Benjamin
Fisher
Gardiner
Hunter
Kristiansen
McCurdy
Mitchell
Nystrom
Riis
Skelly (North Island—Powell River)
Stupich
Young (Beaches —Woodbine)—24

NAYS

Members

Allmand
Anderson
Assad
Attewell
Beatty
Belsher
Bernier
Blackburn (Jonquière)
Blenkarn
Bosley
Anawak
Andre
Atkinson
Axworthy (Winnipeg South Centre)
Bellemare
Berger
Bertrand
Blais
Blondin
Bouchard (Roberval)

Boudria
Boyer
Caccia
Campbell (South West Nova)
Cardiff
Catterall
Charest
Clancy
Clark (Brandon—Souris)
Cole
Cooper
Corbeil
Couture
Crosbie (St. John's West)
Darling
de Cotret
Dionne
Domm
Edwards
Fee
Finestone
Fontaine
Foster
Gaffney
Gauthier
Gibeau
Greene
Guilbault
Halliday
Hicks
Holtmann
Horner
Hudon
James
Johnson
Jordan
Kempling
Kilger (Stormont—Dundas)
Koury
Langlois
Layton
Lee
Littlechild
MacDonald (Rosedale)
MacDougall (Timiskaming)
Maheu
Manley
Marleau
Masse
Mazankowski
McDermid
McKnight
Mifflin
Mitges
Nowlan
O'Kurley
Pickard
Plourde
Proud
Reid
Ricard
Rideout
Roy-Arcelin
Schneider
Shields
Simmons
Soetens
Speller
Stewart
Tétreault
Thompson
Turner (Halton—Peel)
Vanclief
Vankoughnet
Vézina
Vincent
White
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Wood
Young (Gloucester)—180

Bourgault
Brightwell
Cadieux
Campbell (Vancouver Centre)
Casey
Chadwick
Chartrand
Clark (Yellowhead)
Clifford
Collins
Copps
Côté
Crawford
Crosby (Halifax West)
DeBlois
Della Noce
Dobbie
Duplessis
Epp
Ferland
Flis
Fontana
Friesen
Gagliano
Gérin
Gray (Bonaventure—Îles-de-la-Madeleine)
Grey (Beaver River)
Gustafson
Hawkes
Hogue
Hopkins
Horning
Hughes
Jelinek
Joncas
Kaplan
Keyes
Kindy
Landry
Larrivée
Leblanc (Longueuil)
Lewis
Lopez
MacDonald (Dartmouth)
MacLellan
Malone
Marin
Martin (Lincoln)
Mayer
McCreath
McDougall (St. Paul's)
Merrithew
Milliken
Monteith
Oberle
Phinney
Plamondon
Pronovost
Prud'homme
Reimer
Richardson
Rompkey
St-Julien
Scott (Hamilton—Wentworth)
Siddon
Sobeski
Sparrow
Stevenson
Tardif
Thacker
Tremblay (Lotbinière)
Valcourt
Van de Walle
Venne
Vien
Weiner
Wilbee
Winegard
Worthy

The Acting Speaker (Mr. Paproski): I declare the amendment lost. The Hon. Parliamentary Secretary.

Mr. Hawkes: Mr. Speaker, I think you would find unanimous consent in the Chamber to apply the vote just completed but in reverse to the main motion on Bill C-9 at second reading and to the main motion on Bill C-17 at third reading.

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

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): The House agrees to apply the division just taken in reverse to the motion for second reading of Bill C-9, An Act to amend the Bank Act.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 53*)

YEAS

Members

Allmand
Anderson
Assad
Attewell
Beatty
Belsher
Bernier
Blackburn (Jonquière)
Blenkarn
Bosley
Boudria
Boyer
Caccia
Campbell (South West Nova)
Cardiff
Catterall
Charest
Clancy
Clark (Brandon—Souris)
Cole
Cooper
Corbeil
Couture
Crosbie (St. John's West)
Darling
de Cotret
Dionne
Domm
Edwards
Fee
Finestone
Fontaine
Foster
Gaffney
Gauthier
Gibeau
Greene
Guilbault
Halliday
Hicks
Holtmann
Horner
Hudon
James
Johnson
Jordan
Kempling
Kilger (Stormont—Dundas)

Anawak
Andre
Atkinson
Axworthy (Winnipeg South Centre)
Bellemare
Berger
Bertrand
Blais
Blondin
Bouchard (Roberval)
Bourgault
Brightwell
Cadieux
Campbell (Vancouver Centre)
Casey
Chadwick
Chartrand
Clark (Yellowhead)
Clifford
Collins
Copps
Côté
Crawford
Crosby (Halifax West)
DeBlois
Della Noce
Dobbie
Duplessis
Epp
Ferland
Flis
Fontana
Friesen
Gagliano
Gérin
Gray (Bonaventure—Îles-de-la-Madeleine)
Grey (Beaver River)
Gustafson
Hawkes
Hogue
Hopkins
Horning
Hughes
Jelinek
Joncas
Kaplan
Keyes
Kindy

Koury	Landry
Langlois	Larrivée
Layton	Leblanc (Longueuil)
Lee	Lewis
Littlechild	Lopez
MacDonald (Rosedale)	MacDonald (Dartmouth)
MacDougall (Timiskaming)	MacLellan
Maheu	Malone
Manley	Marin
Marleau	Martin (Lincoln)
Masse	Mayer
Mazankowski	McCreath
McDermid	McDougall (St. Paul's)
McKnight	Merrithew
Mifflin	Milliken
Mitges	Monteith
Nowlan	Oberle
O'Kurley	Phinney
Pickard	Plamondon
Plourde	Pronovost
Proud	Prud'homme
Reid	Reimer
Ricard	Richardson
Rideout	Rompkey
Roy-Arcelin	St-Julien
Schneider	Scott (Hamilton—Wentworth)
Shields	Siddon
Simmons	Sobeski
Soetens	Sparrow
Speller	Stevenson
Stewart	Tardif
Tétreault	Thacker
Thompson	Tremblay (Lotbinière)
Turner (Halton—Peel)	Valcourt
Vanclief	Van de Walle
Vankoughnet	Venne
Vézina	Vien
Vincent	Weiner
White	Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wilson (Etobicoke Centre)	Winegard
Wood	Worthy
Young (Gloucester)—180	

NAYS

Members

Angus	Benjamin
Brewin	Fisher
Fulton	Gardiner
Harvey (Edmonton East)	Hunter
Karpoff	Kristiansen
MacWilliam	McCurdy
McLaughlin	Mitchell
Murphy	Nystrom
Parker	Riis
Rodriguez	Skelly (North Island—Powell River)
Skelly (Comox—Alberni)	Stupich
Taylor	Young (Beaches —Woodbine)—24

The Acting Speaker (Mr. Paproski): I declare the motion carried.

Bill read the second time and referred to the Standing Committee on Finance.

CUSTOMS TARIFF

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Loiselle that Bill C-17, an Act to amend the Customs Tariff, be read the third time and passed.

The Acting Speaker (Mr. Paproski): Does the House also agree to apply the division just taken in reverse to the motion for third reading of Bill C-17, an Act to amend the Customs Tariff?

Some Hon. Members: Agreed.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 54*)

YEAS

Members

Allmand	Anawak
Anderson	Andre
Assad	Atkinson
Attewell	Axworthy (Winnipeg South Centre)
Beatty	Bellemare
Belsher	Berger
Bernier	Bertrand
Blackburn (Jonquière)	Blais
Blenkarn	Blondin
Bosley	Bouchard (Roberval)
Boudria	Bourgault
Boyer	Brightwell
Caccia	Cadieux
Campbell (South West Nova)	Campbell (Vancouver Centre)
Cardiff	Casey
Catterall	Chadwick
Charest	Chartrand
Clancy	Clark (Yellowhead)
Clark (Brandon—Souris)	Clifford
Cole	Collins
Cooper	Copps
Corbeil	Côté
Couture	Crawford
Crosbie (St. John's West)	Crosby (Halifax West)
Darling	DeBlois
de Cotret	Della Noce
Dionne	Dobbie
Domm	Duplessis
Edwards	Epp
Fee	Ferland
Finestone	Flis
Fontaine	Fontana
Foster	Friesen
Gaffney	Gagliano
Gauthier	Gérin
Gibeau	Gray (Bonaventure—Îles-de-la-Madeleine)
Greene	Grey (Beaver River)
Guilbault	Gustafson
Halliday	Hawkes
Hicks	Hogue
Holtmann	Hopkins
Horner	Horning
Hudon	Hughes
James	Jelinek
Johnson	Joncas
Jordan	Kaplan
Kempling	Keyes
Kilger (Stormont—Dundas)	Kindy
Koury	Landry
Langlois	Larrivée

Quality of Water

Layton	Leblanc (Longueuil)
Lee	Lewis
Littlechild	Lopez
MacDonald (Rosedale)	MacDonald (Dartmouth)
MacDougall (Timiskaming)	MacLellan
Maheu	Malone
Manley	Marin
Marleau	Martin (Lincoln)
Masse	Mayer
Mazankowski	McCreath
McDermid	McDougall (St. Paul's)
McKnight	Merrithew
Mifflin	Milliken
Mitges	Monteith
Nowlan	Oberle
O'Kurley	Phinney
Pickard	Plamondon
Plourde	Pronovost
Proud	Prud'homme
Reid	Reimer
Ricard	Richardson
Rideout	Rompkey
Roy-Arcelin	St-Julien
Schneider	Scott (Hamilton—Wentworth)
Shields	Siddon
Simmons	Sobeski
Soetens	Sparrow
Speller	Stevenson
Stewart	Tardif
Tétreault	Thacker
Thompson	Tremblay (Lotbinière)
Turner (Halton—Peel)	Valcourt
Vanclief	Van de Walle
Vankoughnet	Venne
Vézina	Vien
Vincent	Weiner
White	Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wilson (Etobicoke Centre)	Winegard
Wood	Worthy
Young (Gloucester)—180	

NAYS

Members

Angus	Benjamin
Brewin	Fisher
Fulton	Gardiner
Harvey (Edmonton East)	Hunter
Karpoff	Kristiansen
MacWilliam	McCurdy
McLaughlin	Mitchell
Murphy	Nystrom
Parker	Riis
Rodriguez	Skelly (North Island—Powell River)
Skelly (Comox—Alberni)	Stupich
Taylor	Young (Beaches —Woodbine)—24

The Acting Speaker (Mr. Paproski): I declare the motion carried.

Bill read the third time and passed.

The Acting Speaker (Mr. Paproski): It being 6.38 o'clock, pursuant to order made Tuesday, June 13, 1989, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

On a point of order, the Hon. Minister of Justice, the Hon. House Leader.

Mr. Lewis: Mr. Speaker, in order that the Member whose Private Members' Business it is should have the full hour for his or her Bill to be debated, we would suggest that that full hour take place and that the Private Members' Business take until 21 minutes to 8 o'clock this evening.

PRIVATE MEMBERS BUSINESS—MOTIONS

[*English*]

CANADA SAFE DRINKING WATER ACT

MEASURE TO ENACT

Mr. Neil Young (Beaches—Woodbine) moved that Bill C-244, an Act to protect and enhance the quality of drinking water in Canada, be read the second time and referred to a legislative committee.

The Acting Speaker (Mr. Paproski): Those who wish to have conversations could do so behind the curtain. The Hon. Member for Beaches—Woodbine.

• (1840)

Mr. Young (Beaches—Woodbine): Mr. Speaker, I want to express my appreciation as well to the Government House Leader for clarifying the length of time that we have to make some remarks on my Private Member's Motion.

This is one of several times that I have presented exactly the same Bill for debate in the House. I think an equal number of times the Minister of the Environment (Mr. Bouchard), and previous Ministers of the Environment have subsequently assured the House and the Canadian public that it is the intention of the Government to bring in legislation to do exactly the same as what this Bill will do.

I have been here for nearly ten years and I have heard these same assurances from the same Ministers. I am still waiting for the legislation. Hopefully, I will have the support of Members on all sides of the House tonight not to talk this Bill out, but to ensure that it is referred to an appropriate legislative committee so that all Members on can have input into the legislation and certainly the Canadian public can also have input.

Over the last couple years it has become politically popular for politicians to talk about the environment. It is as if suddenly many politicians have discovered that

Canadians, and indeed people around the world, are seriously concerned about the abuses that we as human beings have been perpetrating on the environment and the ecology.

I do not want to sound too cynical when I make these remarks because I welcome that new-found interest. In doing that I think the Government should take an enlightened view toward this Private Members' Bill presented for the consideration of the House and allow it to go to a legislative committee for further consideration.

The Bill has four main elements. One, it would provide opportunities for public involvement in the making of regulations to set maximum permissible levels for contaminants and other substances in drinking water applicable to both public and private water systems.

Two, it would establish a water review board to monitor the safety of our drinking water.

Three, it would establish an expert water advisory council to apprise the Minister of current research related to drinking water quality, contaminants, substances and their effects. It would also promote new research into drinking water quality.

It came as some surprise to me when this Bill was in the draw and was drawn for debate. It went before the committee which makes the decisions on which Bills receive one hour of debate or six hours of debate followed by a vote of the House. Prior to my appearance before that committee my office had received a number of telephone calls from the Law Branch of the House of Commons to the effect that it did not feel that this Bill was properly before the House, that the responsibility for water quality rests with municipal governments and to some extent provincial governments. That came as a surprise to me because I never heard that argument before. This Bill has been in the House previously on at least four or five occasions. At no time did any government Member or a Minister raise that kind of objection. It came up under the present Government and a prior Liberal Government, so it came as a surprise to me to hear that kind of argument being made for a number of reasons, Mr. Speaker.

Water quality clearly falls under federal jurisdiction in some respects. That is why we have an International Joint Commission. That is why we have international agreements, particularly with the United States, which govern the water quality in the Great Lakes system and other water bodies across the country.

I understand the argument and accept it that municipal governments have the clear responsibility of supplying safe drinking water to the populations they serve, namely, the delivery of systems. Surely to goodness, the federal and provincial Governments have a clear responsibility for the quality of water before it comes under municipal jurisdiction, such as in Lake Ontario. Millions of people live around Lake Ontario. They rely on Lake Ontario for a safe drinking water supply. But that water is supplied by the Niagara River which is under joint jurisdiction between Canada and the U.S. How can an argument be made that the federal Government has no jurisdiction over the water quality? I say to the House as I have said in committee that there are all kinds of studies which have been made and which have concluded that water quality falls under federal jurisdiction.

For my purposes I make the argument that the federal Government has jurisdiction over the Great Lakes through the international joint agreement with the U.S.

I do not want to get too far off the arguments that the Bill presents, but on the best statistics alone, it is reason enough to believe that the federal Government, the House of Commons if you will, has a clear responsibility to give guidance and if that guidance is not forthcoming, the power to provide legislation to enforce the quality of drinking water across Canada and to work preferably in co-operation with provincial Governments to ensure that that happens. In the absence of that co-operation being established, I think that we at the federal level have the responsibility to act on behalf of Canadians to ensure that water quality is maintained at levels we would expect from our water resources.

I just want to give some background information about the seriousness of the dangers that are presented through our water supply, not only in Canada but internationally as well.

Canada has less than 1 per cent of the world's population yet we possess an estimated 25 per cent of the world's fresh water. The Great Lakes contain 18 per cent of the planet's surface fresh water. Canada's rivers have a combined flow of some 68,000 cubic metres per second,

enough to fill all the country's bathtubs every ten seconds. On a global scale, fresh water constitutes only 0.2 per cent of the total water supply. Until the first decades of the 20th century, water borne diseases such as typhoid fever, claimed the lives of many Canadians. Although modern medicine has advanced to the point where this disease is no longer a serious threat, new forms of water borne disease are emerging.

The World Health Organization indicates that in the Third World diseases associated with dirty water kill 50,000 people every day, more than 80 million per year. As long as bacterial contamination of Canadian waters is allowed to continue, Canadians cannot assume that the same kind of effect could not happen here because it certainly could. I recall a month or so ago—it was in the news again several days ago—hearing about a community in New Brunswick where the total water supply is so contaminated by industrial pollutants that it is a sewer. It is not known for sure but the authorities in that community do know that the water is no longer drinkable. The people of that community have had to have bottled water shipped to them because their source of drinking water has been cut off by the contamination. I do not think that that is anything that we as Canadians either should tolerate or should continue to tolerate.

• (1850)

Several years ago, the Hon. Member for Skeena (Mr. Fulton) the former Hon. Member for Nanaimo—Alberni, Ted Miller, and I along with several others, formed a task force which went to the Niagara Peninsula to look at the problems about which the people were voicing concerns regarding the Niagara River and the Great Lakes. In the course of that four or five day visit, we had an opportunity to look at the toxic dump sites which string the New York side of the Niagara River. There is absolutely no question that from those chemical dump sites, toxins are leaching into the Niagara River.

One of those particularly dangerous toxic chemicals is dioxin. It is the form of dioxin that was used by the U.S. Army in Vietnam for the purposes of defoliating trees so that bombers and similar equipment could more clearly see what they perceived to be the enemy on the ground. Years after the Vietnam war, the U.S. Government is finding that many military personnel are suffering from different kinds of cancer because of being exposed to that defoliant, Agent Orange, I believe it was called, in addition to effects felt by the poor people who were the victims of that kind of military attack.

Suffice it to say that one of the dumps on the New York side of the Niagara River has, I am told, tonnes of this stuff buried in it. It is that dioxin which is leaching through the dolomite rock of which the Niagara gorge is made. Dolomite rock is a very porous rock. Over the years, these companies have bulldozed the earth out to the surface of the rock and dumped the chemicals in. Some tell us that they lined the dumps with clay to keep the chemicals from leaching, but I have my doubts that that was the case. Even if that was the case, these chemicals are leaching out the walls of these dumps, going down through the porous bedrock and the groundwater into the Niagara River. Traces of this dioxin have definitely been found on the face of the Niagara Gorge.

There used to be an environmental scientist who worked with the Department of the Environment of Ontario, and I believe his name was Doug Hallett. He was a very respected individual. Doug Hallett told me, as he has said publicly in the media, that in his estimation, one shovelful of that dioxin waste, thrown into Lake Ontario, would kill that lake for thousands of years. Just one shovelful of that stuff would kill the entire lake, yet there are tonnes of this stuff buried in these dumps on the New York side of the river.

I know that various Canadian Governments have expressed concern about those dumps. There have been attempts made to convince the American Government that the only safe way to dispose of these chemical wastes is to excavate these dumps and destroy the chemicals either by incineration or by some other means. To date, as far as I know, we have not been successful in concluding these negotiations in a satisfactory way.

Hon. Members would be interested to know that after we had completed our examination of the Niagara River and surrounding area, we drew together a report on our findings. At that time, several years ago, I tabled that report in the House of Commons. If any Hon. Member is interested, I would be happy to provide a copy of that report.

The findings we made then are still true today. Nothing has changed. In fact, we have drawings that pinpoint the location of every one of these dump sites and every one of them contains a chemical soup. That chemical soup poses a day-to-day threat to the safe drinking water supply of the people who rely on Lake Ontario to provide that safe drinking water.

I urge the Government and Hon. Members to realize the reality of that threat. Even if Hon. Members do not pass this Bill, we should at the very minimum ask the appropriate House of Commons committee, whether it be a standing committee or a special committee, to take a good, hard look at the threat those chemical dump sites are posing to our water systems, especially in southern Ontario. It would also be worth while to take a look at some of the contaminants that are being poured into the rivers across Canada, whether by sawmills in British Columbia or by whatever caused the problem found with the blob in the Lake St. Clair area.

I see that you are indicating to me that my time has expired, Mr. Speaker. I thank you for your patience. At the very least, I would ask the House to seriously consider establishing such a committee.

[*Translation*]

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, as parliamentary secretary to the Minister of National Health and Welfare, I welcome this opportunity to speak to you about the safety of our drinking water, an issue that is of considerable importance for the health and well-being of all Canadians and thus an issue that the Department of National Health and Welfare takes very seriously. I am much encouraged by the decision made by the Hon. Member for Beaches—Woodbine (Mr. Young) to table Bill C-224 which concerns the safety of our drinking water. I would like to inform the Hon. Member that I would indeed appreciate receiving a copy of his research papers, as he so kindly offered during his speech.

Mr. Speaker, I think we should recall that this Bill is similar to Bills C-212, C-266 and C-276 which were tabled in recent years. The Minister of National Health and Welfare has pointed out on a number of occasions the importance of safe drinking water for public health. For this reason, the Department of National Health and Welfare has a primary responsibility, at the federal level, for the quality of our drinking water.

When Bills C-212, C-266 and C-276 were presented, we indicated that the Government intended to introduce its own legislation on safe drinking water in Canada.

We must not forget that both levels of government, federal and provincial or territorial, have important roles to play in distributing drinking water that is absolutely safe to drink. The Department of National Health and Welfare fully realizes the extent of the responsibility provincial governments have always had for water treatment for the purpose of producing and distributing drinking water. In fact, the provinces are imarily responsible for protecting and monitoring the water resources that provide our drinking water supply. Generally, authority has been delegated to municipalities, and the public utilities responsible for treating our water supply, to produce drinking water and provide for its distribution in their respective communities. The standards or guidelines for the quality of this water are set by the Department of National Health and Welfare, in co-operation with the provincial governments.

• (1900)

In fact, Mr. Speaker, the Department has been actively involved in setting guidelines for drinking water quality ever since 1923, when an order in coucil was passed to regulate the bacteriological content of drinking water on board ships supplied with continental water. In 1968, the Department published the first statement of standards and universal objectives for drinking water in Canada, which set the standards for a substantial number of toxic chemical products, radioactive substances and micro-organisms. These standards were completely revised in 1978 by a federal-provincial committee. *Canadian Guidelines for Drinking Water Quality in 1978* provided guidelines regarding 51 parameters, 42 of which concern chemical substances.

Since that date, new scientific data have revealed that water contains a host of chemical products, as the Hon. Member for Beaches—Woodbine mentioned, and that some of them are the result of the treatment process itself.

Considering these new findings, the Department has acknowledged the need for revising the guidelines for drinking water quality in Canada; a new document, published in 1987, is now available upon request.

This edition of the guidelines includes 41 pesticides, 31 of which had not been considered previously. The guidelines include 15 new organic parameters, while we have re-evaluted 9 inorganic and organic substances, including an assessment of the need for setting guidelines for PCBs and dioxins, which have aroused the interest and concern of all Canadians.

The Department of National Health and Welfare intends to revise this document at regular intervals. As in the past, revision is always done in cooperation with the provincial governments and with their full participation under the auspices of the Federal-Provincial Advisory Committee on Environmental and Occupational Health. Given the importance of safe drinking water and the rapid advancement of knowledge, a standing sub-committee has been established so that we can continue to keep the recommendations up to date and to deal with other important issues related to the supply of drinking water.

Drafting guidelines is not the only thing the Department of National Health and Welfare is doing with regard to drinking water. A safe drinking water supply can only be assured with a much broader approach. Overall, the Department's long-term goals for drinking water are: to ensure that all Canadians are supplied with drinking water that satisfies the recommendations for drinking water quality in Canada; to ensure that commercially sold water treatment devices used at point of consumption are safe, this being established by laboratory tests and by actual use, so that potentially dangerous devices are taken off the market; also, to ensure that all chemicals and materials that come directly or indirectly into contact with drinking water when it is produced, distributed or stored are assessed for potential danger, in order to guarantee their safety.

In view of the concerns expressed about the quality of some drinking water, it seems that some Canadians have lost confidence in their municipal drinking water to the extent that they have turned to other sources of supply or feel obliged to further purify water for their own use. Annual sales of bottled water by the soft drink industry alone are estimated at around $15 million. There is also spring water and other kinds of water sold in containers—

I do not know whether you are aware, Mr. Speaker, that in my riding of Argenteuil—Papineau, mainly in the Mirabel region, we have the best drinking water in Québec, if not in Canada, and we have a drinking water bottling industry that creates many jobs.

I also think—you are indicating to me that my time is nearly up, Mr. Speaker—that the Government of which I am honoured to be a part has acted and will continue to act. Recently, the Minister of the Environment (Mr. Bouchard) said that he was about to prepare documents to improve our quality of life.

I know what the Hon. Member means, because lately I went out onto Lake Ontario myself. I was very surprised to learn that most homes on the shores of Lake Ontario have practically no pollution control equipment. On the other hand, I was told that the U.S. Department had been on the lookout for several years and that things were improving. But with respect to the Great Lakes and the Niagara Peninsula, you can be assured, Mr. Speaker, and I would like the Hon. Member for Beaches—Woodbine to know, that Government Members from that region are very vocal in our caucus to make us more aware of this most important matter.

Mr. Speaker, I would have liked to go on, I had taken some very important notes, but unfortunately, my time is up. I would like to assure you that the Minister of National Health and Welfare is following this issue with great interest and that of course we will act to protect the health of Canadians, so that we may always have good, safe drinking water in Canada and leave it as a heritage to our children.

[*English*]

Mr. Doug Fee (Red Deer): Mr. Speaker, I cannot follow up on the bragging done by the Parliamentary Secretary about having the best drinking water in my province. Unfortunately, the water in my municipality suffers from a slight odour problem because it has too much hydrogen sulphide in it. Last weekend, I was visiting with the Mayor of the Town of Bowden who was very proud of the fact that an independent panel, which included the Minister of the Environment of the Province of Alberta, chose the water from Bowden, Alberta as being the absolute best in Alberta.

I am very pleased to have this opportunity to discuss the subject of safe drinking water, which is a topic that is most important to the Department of National Health and Welfare, and to all concerned Canadians. The initiative of the Hon. Member for Beaches—Woodbine (Mr. Young) in introducing Bill C-224 concerning safe drinking water is most encouraging. As the Hon. Member stated in his introduction, similar private Members' Bills, Bill C-266 and C-276, have been introduced during the past few years.

Canada has as yet no national drinking water standards mandated by or enforceable through legislation. This contrasts with most other developed and even many less developed countries. Under the Canadian Constitution, resources, including water, are considered to be the mandate of the provinces. It follows that the provision of drinking water and the legislation of standards and regulations are the primary responsibility of provincial governments rather than the federal Government, with certain exceptions.

The development of national guidelines for drinking water quality has therefore been undertaken mainly on a collaborative basis between the federal and provincial levels of government with the Department of National Health and Welfare fulfilling a role of health adviser as prescribed under the Department of National Health and Welfare Act.

• (1910)

Measures designed specifically to protect the public health, such as the drinking water guidelines, are normally undertaken under the auspices of the Conference of Deputy Ministers of Health. A permanent sub-committee on drinking water, comprising representatives from all provinces and territories and from the Department of National Health and Welfare, develops and revises the guidelines on a continuing basis. Officials of the Department provide advice through their position as secretariat to both committees.

I had the privilege of sitting as a member of an elected municipal council for some 17 years. During that period of time I chaired our environmental health services committee, the group that had the responsibility for the provision of clean water to the municipal system. I have to confess that only when reading for this Bill did I become aware of the federal involvement. We worked with provincial guidelines and provincial people.

The first comprehensive Canadian drinking water guidelines were published by the Department of National Health and Welfare in 1968. They were revised first in 1978 and again in 1987. A fourth revision is in preparation.

The guidelines are not legally enforceable unless promulgated as regulations by the appropriate provincial agency. The guidelines are the primary means of assessing the safety, from a health perspective, of drinking water supplies for lifetime consumption. The guidelines also take into consideration aesthetic parameters such as colour, taste and odour.

However, the guidelines are not enough to ensure that the problems with drinking water arising from our modern society are adequately addressed. Canadians from all provinces have recently become increasingly concerned about the quality of the drinking water which their municipalities deliver. In fact, a survey conducted by a major Canadian magazine found that 44 per cent of all Canadians indicate that they believe tap water will not be drinkable by the year 2001.

Although major epidemics of typhoid and cholera are a matter of history in Canada, we cannot afford to let ourselves become complacent about the presence of pathogens in drinking water. Giardiasis became a serious concern in western Canada, a few years ago, when an outbreak occurred in one of our major resort areas.

There have also been outbreaks of viral diarrhoea and occasional outbreaks of typhoid. These have all been traced back to plant failures, cross-connections or flooding of wells, but still serve to demonstrate the potential public health significance of organisms that may escape sanitary barriers. The current emphasis on chemical contaminants and drinking water, therefore, should not divert our attention from the need to control microbial pathogens in drinking water.

Over the last decade scientists have identified, and the media have reported on, more than 1,000 organic chemicals that have occurred occasionally in drinking water. Fairly frequently a dozen or more chemicals have been detected in a single water supply.

We do not want to unduly alarm people since this has usually occurred at relatively low concentrations, in the parts per billion range or less. This detection has resulted largely from significant advances made in our ability to measure such low concentrations. In most of the cases, the concentrations are so low that they do not represent a health hazard, but at the same time they should not be ignored. Guidelines or objectives are needed to enable an assessment to be made of possible harm to health.

We know that the general public is concerned that conventional water processes, which are designed primarily to control bacteriological contamination and to remove inorganic contaminants, may not adequately remove certain trace organic contaminants. This concern has been manifested by the purchase of home-use treatment devices. It is believed that in-home devices to treat or filter municipal water supplies are used in about 3 per cent to 10 per cent of Canadian homes.

Although many of these water treatment devices may be safe and useful, it must be noted that the quality and safety of these devices is not regulated by any government Department, and considerable excesses in advertising have been known to occur. It is apparent that some control of these devices is required. Requests for government control have been expressed by consumer groups, provincial agencies and the public.

It is now known that some compounds generated in drinking water during treatment may also present health hazards. One of the most widely used treatment chemicals is chlorine, which is used as a disinfectant. Some concern has been expressed that chlorination can give rise to the formation of chloroform and other chlorinated by-products, some of which may be toxic under certain conditions.

The benefits of chlorination far outweigh these concerns, however, and a look at alternative disinfectants suggest that the well proven chlorination process should not be abandoned yet since there is very limited knowledge about the alternatives. Two alternatives being considered are ozone and chlorine dioxide. Ozone is becoming increasingly popular in Canada, particularly in Quebec. Ozonation reaction products are still relatively unknown, but are being studied by scientists in the Department of National Health and Welfare.

Chlorine dioxide does not give rise to the undesirable by-products formed during the normal chlorination process. However, a major disadvantage is the production of chlorate and chlorite which may be of health significance when ingested regularly at high concentrations.

Some chemicals may enter our drinking water indirectly, as a result of the use of piping, paint, coatings or other lining materials used in water storage and distribution systems. Chemicals may be released in small amounts as the material ages, or contaminants of the original material may be released. Concern is expressed about some of our distribution systems utilizing asbestos-lined pipe. Any new legislation should address the problems of lack of mechanisms to evaluate and regulate drinking water contaminants arising from both direct and indirect means.

You will recall, Mr. Speaker, that the recent Speech from the Throne included a commitment from the Government to introduce legislation on drinking water. The Minister of National Health and Welfare (Mr. Beatty) intends to introduce a safe drinking water Act for Canada. Already, officials of the Department of National Health and Welfare are working with the Department of Justice in mapping out the areas to be covered by the Act.

Quality guidelines for drinking water, including microbiological, physical, chemical and radiological characteristics will be established and published in the *Canada Gazette.* For reasons outlined previously, these guidelines will not be mandatory standards unless made so by the provinces, as is the case at present.

The present system for establishing guidelines has worked well for the past 20 years, thanks to the continuing high degree of co-operation demonstrated by all the provinces and, in the last few years, by the territories as well. Thus there would be no change in legislative status, but current practice would be given legislative authority.

Consideration is, however, being given to making drinking water quality objectives, based on the guidelines, mandatory for areas under federal jurisdiction. This would apply to drinking water on all federal passenger carriers, including airlines, railways, ships and interprovincial buses. It would also include community drinking water systems in native communities and reserves that have not yet reverted to control by native people themselves or by the province. Individual wells or

supplies serving only a few people would not be included for reasons of practicality and cost.

Consideration is also being given to regulating devices sold for home water treatment. At present there are no control requirements or performance standards to ensure both efficacy for the purposes claimed and the protection of human health.

The new legislation will contain provisions for making regulations to cover chemicals used in water treatment facilities, as well as concentrations of contaminants which may be present in these treatment chemicals. The new Bill would also include authority to prescribe standards for the composition of system components and surface materials that come into contact with potable water. This would also alleviate problems that have arisen concerning both direct and indirect contamination.

I notice that you are asking me to wind up, Mr. Speaker, and I thank you.

[*Translation*]

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister of State (Science and Technology)): Mr. Speaker, I am pleased to have the opportunity to discuss the safety of drinking water, a very important subject for the Department of National Health and Welfare and all Canadians concerned. The initiative of the Hon. Member for Beaches—Woodbine (Mr. Young) in presenting Bill C-224 on the quality of drinking water is encouraging. We recall some very similar Bills, C-266 and C-276, that were presented in the past.

Water is as essential to life as food and air. It is one of the most abundant terrestrial resources and is present in the air, on the ground and in the earth. However, pure water does not exist in nature. Water carries a great number of substances for which it acts as a solvent. For example, it contains gases absorbed from the atmosphere and natural organic and inorganic substances obtained by dissolving rocks and earth. In fact, it is this mixture of chemicals that gives water its pleasant taste. Everyone who has drunk chemically pure water will agree that it is insipid, bland and tasteless.

• (1920)

Unfortunately, water can also contain many toxic substances. The presence of bacterial and viral pathogens in public water supplies was all too obvious in the late 19th and early 20th centuries, when water-borne diseases were common in Canada and among the leading causes of death. The use of effective disinfection methods led to the virtual elimination of these diseases from our society and contributed to a major improvement in public health.

Mr. Speaker, although major epidemics of typhoid and cholera are a matter of history in Canada, we cannot afford to let ourselves become complacent about the presence of pathogens in drinking water. In western Canada, giardiasis has now become a serious concern and also causes problems further south, in the Adirondacks in New York State. There have also been outbreaks of viral diarrhea and occasional outbreaks of typhoid. These have all been traced to plant failures, cross-connections or flooding of wells, but still serve to demonstrate the potential health significance of organisms that may escape sanitary barriers. The current emphasis on chemical contaminants in drinking water, therefore, should not divert our attention from the need to control microbial pathogens in drinking water.

That being said, Mr. Speaker, I may recall that over the last 20 years, scientists have identified more than 1,000 organic chemicals in drinking water, at relatively low concentrations. This has usually been in the parts per billion range or less. This detection has resulted largely from significant advances made in our ability to measure such low concentrations.

We know that the general public is concerned that conventional water processes, which are designed primarily to control bacteriological contamination and to remove inorganic contaminants, may not adequately remove certain trace organic contaminants. According to a poll carried out recently by a major Canadian magazine, 44 per cent of the population believes that tap water will no longer be drink able by the year 2001. This concern has been manifested by the phenomenal rise in sales of home-use treatment devices. In a survey carried out in 1984 by the Department of National Health and Welfare in metropolitan areas in Canada, it was found that 3 per cent of Canadian homes used some type of in-home device to treat municipal water supplies, and it is estimated that this figure has now increased to 10 per

cent. About 70 per cent of these devices use active carbon filters, about which the Department has some reservations because of the problem of bacterial growth on the filters. We may also point out that other treatment devices, such as those based on reverse osmosis and distillation, also have their drawbacks.

Most small communities and homes in Canada's rural areas use ground water as their source of water supply. Generally speaking, it is assumed that this water is free from contaminants and requires only minimal treatment before consumption. However, this assumption may no longer be correct since organic compounds such as pesticides and industrial solvents have been discovered in ground water in most states in the United States. We have only spotty information on Canadian ground water, but we do know there are problems in some communities such as Joliette and St-Hyacinthe, in the province of Québec, where drinking water has been contaminated by the pesticides aldicarb and atrazine, respectively.

It is now known that some compounds generated in drinking water during treatment may also present health hazards. One of the most widely used treatment chemicals is chlorine which is used as a disinfectant. Some concern has been expressed that chlorination can give rise to the formation of chlorofom and other chlorinated by-products, some of which can be toxic under certain conditions.

Mr. Speaker, a look at alternative disinfectants suggests, however, that the well-proven chlorination process should not be abandoned yet since there is very limited knowledge about the alternatives. Ozone is becoming increasingly popular in Canada, particularly in Québec. Ozonation reaction products are still relatively unknown, but are being studied by scientists in the Department of National Health and Welfare. A wide-ranging study that will cost about $1 million, financed jointly by the Government of Québec, the Department of National Health and Welfare, the Department of the Environment and the federal Department of Supply and Services, is presently underway on the water distribution system in the municipality of Sainte-Rose, near Montreal.

Chlorine dioxide does not give rise to the undesirable by-products formed during the normal chlorination process. However, a major disadvantage is the production of chlorate and chlorite which may be of health significance when ingested regularly at high concentrations. That is why the Department of National Health and Welfare, in co-operation with the province of Alberta, recently sponsored a study to evaluate various disinfectants used in the treatment of drinking water. The Department of National Health and Welfare and the Ontario Department of the Environment also sponsored a study co-ordinated by the Canadian Public Health Association, which included a critical study of the quality of water from the Great Lakes.

The Department of National Health and Welfare has also helped the Province of Ontario as a consultant on contract work concerning the effectiveness of activated charcoal treatment in a Niagara Falls pilot plant. The Department of National Health and Welfare is also cooperating with Environment Canada and the four Atlantic provinces on a major four-year study to determine the extent of contamination of municipal water distribution systems by organic substances. This study is now in its fourth year.

It is clear from what I have just said that the Department of National Health and Welfare is doing research on drinking water in every region of the country and that a large part of the work sponsored by the Department alone or with the provinces is contracted out to industry or the academic community.

Perhaps we should ask exactly what we should do to make our drinking water safe. Of course, the water quality guidelines or standards implicitly define what is acceptable for health.

"The recommendations for the quality of drinking water in Canada, 1987" are used to determine if water under federal authority is fit for consumption. They are updated almost every year and have been adopted by several provinces which have included them in their own quality objectives. Alberta, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland use these federal-provincial recommendations.

• (1930)

[*English*]

The Acting Speaker (Mr. Paproski): The Hon. Member's time has expired.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, I just have a few words on this very important Bill before the House today that deals with the quality of drinking water in Canada. The reason why it is so important is that too many communities—hundreds of

communities and thousands of people in Canada—are drinking contaminated water. It is perhaps the single cause of a great deal of sickness, especially with children in many of our rural communities throughout Canada. In fact, if one were to examine the rationale used by municipalities in Canada seeking financial assistance for water systems from the provincial Governments and provincial authorities, one would discover that the chief reason listed is contaminated water. In other words, a municipality today, or water authority depending on which province you are in, would seek financial assistance from the provincial administration, because it is handled through the provincial Governments, for funding or permission to borrow based on the fact that the water they are drinking is contaminated.

You can see this throughout Canada, especially in the rural areas. Unfortunately the smaller the community, the greater the difficulty it has in obtaining funding for an adequate water supply. The reason is that municipal financing in Canada is based on the principle of loans. In other words, a municipality either gets the authority to borrow, a guarantee to borrow or borrows from provincial administrations. Therefore, when you have a small community, depending on the province, and certainly all provinces in Canada are alike, there is no funding in the form of grants to put in a water system. There is no mechanism in place today in Canada to provide grant money, not loan money, to put in a water system. There is no provincial administration in Canada where you can get money to construct a water system and not have to pay back that money. If you have to pay it back, then you must have the guarantee of the provincial Government or you do not get it through the banks.

That stands to reason, and that is why a tragic error was made about five years ago by the Government of Canada when it classified all of its works programs in Canada as training programs. You cannot get money any more to build a water system in Canada through the Department of Employment. The current works programs in Canada that the Government brags about every day were changed when the Government came to power. Therefore, you cannot get money any more to put in a water system in Canada to alleviate the problem of children and parents drinking contaminated water.

How many times can you train somebody to put down a pipe? How many times can you train somebody to dig a ditch with a pick and shovel? So the Government of Canada says: "All works programs in Canada are training programs, and if you cannot train somebody for an occupation, you cannot have the money." Today there are communities with contaminated water in their water systems and they cannot solve that problem because the Government of Canada has changed the rules. It has said that unless you are training a worker for employment that he can have for the rest of his days, then you cannot get any money.

Just imagine what a foul act that was. What an absolutely outrageous act by the Government of Canada—hundreds of communities in Canada today with pipes under the water leading from a pond or a lake. There has been $200,000, $300,000, $400,000 spent on a pipe under the ground and they cannot continue the construction. Why? Because the Government of Canada changed the rules midstream and said: "You cannot have money any more unless you are training everybody for a job that they can have in the future and a job that is needed in your area."

The local authority says: "Well, I want to put in a section of water line." The Government says: "No, no, you have got to prove that that ditch digger is being trained to dig a ditch so that he will have a job in the future."

That is what the criteria is for every works program in Canada today. For every job creation program funded by the federal Government today in Canada, the only criteria is that you must be training somebody for a job that is needed in that area and that you are going to give him training so that he is going to be able to work after that job is over. That is all job creation projects in Canada today, including the Job Development Program, the Job Strategy Program and Section 25 which is employment under the Unemployment Insurance Act. So all jobs in Canada funded by this Tory Government areonly for training. They say: "To heck with what it does. Who cares", says the Government of Canada, "if people are drinking contaminated water? Who cares if

children are getting sick every day? Who cares if they have got half their water line under the ground?" A small community with $200,000 or $300,000 spent in water line under the ground, and it has been like that for five years since the rules were changed by the Government of Canada.

Then the Minister of Employment and Immigration (Mrs. McDougall) stands up in the House and brags about it and says: "Look how many people we are training for jobs in Canada."

The Acting Speaker (Mr. Paproski): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1), the order is dropped from the Order Paper.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT AND THE EXCISE ACT

MOTION THAT DEBATE NOT BE FURTHER ADJOURNED

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada) moved:

That the debate on second reading and reference to a legislative committee of Bill C-20, and on any amendments proposed thereto, shall not be further adjourned.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the yeas have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Call in the Members.

The House divided on the motion, which was agreed to on the following division:

• (1940)

(Division No. 55)

YEAS

Members

Anderson	Andre
Atkinson	Attewell
Beatty	Belsher
Bernier	Bertrand
Blackburn (Jonquière)	Blais
Blenkarn	Bosley
Bouchard (Roberval)	Bourgault
Boyer	Brightwell
Campbell (Vancouver Centre)	Cardiff
Casey	Chadwick
Charest	Chartrand
Clark (Brandon—Souris)	Clifford
Cole	Collins
Cooper	Corbeil
Côté	Couture
Crosbie (St. John's West)	Crosby (Halifax West)
Darling	DeBlois
de Cotret	Della Noce
Dobbie	Domm
Duplessis	Edwards
Epp	Fee
Ferland	Fontaine
Friesen	Gérin
Gibeau	Gray (Bonaventure—Îles-de-la-Madeleine)
Greene	Guilbault
Gustafson	Halliday
Hawkes	Hicks
Hogue	Holtmann
Horner	Horning
Hudon	Hughes
James	Jelinek
Johnson	Joncas
Kempling	Koury
Landry	Langlois
Larrivée	Layton
Leblanc (Longueuil)	Lewis
Littlechild	Lopez
MacDonald (Rosedale)	MacDougall (Timiskaming)
Malone	Marin
Martin (Lincoln)	Masse
Mayer	Mazankowski
McCreath	McDermid
McKnight	Merrithew
Mitges	Monteith
Nowlan	O'Kurley
Plamondon	Plourde
Pronovost	Reid
Reimer	Richardson
Roy-Arcelin	St-Julien
Schneider	Scott (Hamilton—Wentworth)
Shields	Siddon
Sobeski	Soetens
Sparrow	Stevenson
Tardif	Tétreault
Thacker	Thompson
Tremblay (Lotbinière)	Turner (Halton—Peel)
Valcourt	Van de Walle
Vankoughnet	Venne
Vézina	Vien
Vincent	White
Wilbee	Wilson (Swift Current—Maple Creek—Assiniboia)
Winegard	Wilson (Etobicoke Centre)
	Worthy—125

NAYS

Allmand	Anawak
Angus	Axworthy (Winnipeg South Centre)
Baker	Bellemare
Benjamin	Berger
Blaikie	Blondin
Boudria	Caccia
Campbell (South West Nova)	Catterall
Clancy	Comuzzi
Copps	Crawford
Dionne	Finestone
Fisher	Flis
Fontana	Foster
Fulton	Gaffney
Gagliano	Gauthier
Grey (Beaver River)	Harvey (Edmonton East)
Hopkins	Hunter
Jordan	Kaplan
Karpoff	Keyes
Kilger (Stormont—Dundas)	Kristiansen
MacDonald (Dartmouth)	MacLellan
MacWilliam	Manley
Marleau	McCurdy
McLaughlin	Mifflin
Milliken	Mitchell
Murphy	Parker
Phinney	Pickard
Proud	Prud'homme
Rideout	Riis
Robichaud	Rompkey
Simmons	Skelly (Comox—Alberni)
Speller	Stewart
Stupich	Taylor
Vanclief	Young (Gloucester)
Young (Beaches—Woodbine)—67	

• (2020)

The Acting Speaker (Mr. Paproski): I declare the motion carried.

[*Translation*]

Mr. Guy Ricard (Laval): Mr. Speaker, I abstained from voting on this motion this evening because I had the honour of being chosen to chair the legislative committee that will consider this Bill. So to show my impartiality, I abstained from voting.

[*English*]

The Acting Speaker (Mr. Paproski): On a point of order, the Hon. Minister.

Mr. Mayer: I am sure you are aware, Mr. Speaker, that the Hon. Member for Calgary Northeast was absent for the vote, but he wanted me to convey to the House that if he had been here he would have abstained.

The Acting Speaker (Mr. Paproski): The Hon. Member for Regina—Lumsden on a point of order.

Mr. Benjamin: Whatever is going on in the ranks across the aisle, I remind Members that there is no such thing as an abstention in the House of Commons. It means that the hon. gentleman was absent for the vote.

* * *

EXCISE TAX ACT AND THE EXCISE ACT

MEASURE TO AMEND

The House resumed from Tuesday, June 6, consideration of the motion of Mr. Loiselle that Bill C-20, an Act to amend the Excise Tax Act and the Excise Act, be read the second time and referred to a legislative committee.

The Acting Speaker (Mr. Paproski): When Bill C-20 was last before the House, the Hon. Member for Trois-Rivières had the floor and had completed his speech.

The question and comment period following the Hon. Member's speech is now available to Members, otherwise the Chair is prepared to recognize an Hon. Member for debate.

Since there are no questions or comments, the Hon. Member for Cambridge on debate.

Mr. Pat Sobeski (Cambridge): Mr. Speaker, Bill C-20, an Act to amend the Excise Tax Act and the Excise Act, contains legislative amendments required to implement the federal sales and excise tax and duty changes announced by the Minister of Finance (Mr. Wilson) in his April Budget.

The Budget proposes tax increases across the range of major revenue sources: sales tax, excise levies, personal income tax, and corporate tax. A major element of the Government's revenue strategy is the replacement of the existing manufacturers' sales tax with a new system on January 1, 1991. Sales tax reform will be implemented in a manner consistent with the projected medium term debt plan.

Canadians will hardly be surprised that the largest single item in the budget expenditures consists of the public debt program, which provides for the interest and servicing costs of the public debt and for the issuing cost of new loans.

In the Budget the Minister of Finance identified Canada's large and growing public debt as a serious obstacle standing in the way of our continued economic and social programs. The Minister of Finance spoke of the need to address the problem of our accumulated

debt so as to maintain our capacity to achieve our economic potential in the years ahead and to meet the social and cultural priorities of Canadians.

As most Canadians are aware, public debt charges are forecast at $39.4 billion for 1989–90. That is an increase of some $6.4 billion from the Estimates for 1988–89. This is an increase of nearly 20 per cent in only one year and reflects the recent surge in short-term interest rates both here in Canada and abroad.

This illustrates, as dramatically as any words, the extent to which our huge debt has left Canada exposed and why we must bring the debt under control. It will require all the debt control measures the Minister of Finance announced in the Budget, as tough as they are, to offset or almost offset the projected increase in debt costs. Taken together, our expenditure reductions and revenue increases will produce $5 billion this year and $9 billion next year. As a result, by next year the public debt will stop growing faster than the economy for the first time since the 1970s.

The second major category of spending comprises fiscal transfer payments to the provinces. The great bulk of those payments are made under the fiscal equalization program. This consists of the unconditional transfer payments made to ensure that provincial Governments have sufficient revenues to enable them to have reasonably comparable levels of public services at reasonably comparable levels of taxation.

Even with the tight spending controls dictated by the debt burden, this Government's support for a wide range of vital national services through these transfer payments is growing. Equalization transfers account for $7.3 billion in the 1989–90 Estimates.

This enabling legislation, Bill C–20, contains a number of important revenue raising measures, including increases in the existing federal sales tax rate and increases in the excise levies on tobacco products and gasoline.

Pending the implementation of sales tax reform, the existing rates of federal sales tax will be raised as follows: the 18 per cent rate on tobacco and alcohol increases to 19 per cent. The fiscal impact is to increase revenues because of this measure by $55 million in the 1989–90 fiscal year and by $70 million in the 1990–91 fiscal year.

A second measure is the 10 per cent rate on telecommunication and programming services will increase to 11 per cent. The fiscal impact will result in increased revenues of $80 million in 1989–90 and $110 million in 1990–91.

The 8 per cent rate on construction material and equipment for buildings will become effective January 1, 1990 and this increases to 9 per cent. As a result of this measure, the fiscal impact will be $40 million in 1989–90 and $255 million in 1990–91.

Finally, the 12 per cent general federal sales tax rate will increase to 13.5 per cent. The fiscal impact will increase revenues in 1989–90 by $1.140 billion and in 1990–91 by $1.6 billion.

Since the new goods and services tax will be implemented on January 1, 1991, the Government will not proceed with the interim measures proposed in the February 1988 Budget relating to the treatment of marketing and distribution costs and to wholesale licences. The fiscal impact on revenue measures will be a reduction in the estimated revenues, because of not proceeding with the interim measures, of $520 million in 1989–90 and $370 million in 1990–91.

In order to protect low income Canadians against the impact of these sales tax increases, the refundable sales tax credit for adults will be increased from $70 to $100 in 1989 and to $140 in 1990. The credit for children will be raised from $35 to $50 in 1989 and to $70 in 1990. For a family of four that will represent in 1990 a sales tax credit of $420.

The income threshold at which the credit begins to be phased out will be increased from $16,000 to $18,000 in 1990. As the refundable sales tax credit is paid through the personal income tax system, personal income tax revenues will be lowered by $135 million in 1989–90 and will be lowered by a further $465 million in 1990–91.

• (2030)

I would also add that further enhancements of the refundable sales tax credit will accompany the introduction of the goods and services tax reform in 1991. The following changes in excise levies are also proposed. In the area of fuel tax increases Bill C–20 implements increases in excise taxes on gasoline of one cent per litre effective April 28, 1989, and an additional one cent per litre as of January 1, 1990. These increases will yield $215

million in 1989 and $640 million in 1990 in additional revenues to be used to address the problem of the public debt.

The excise tax on leaded gasoline and leaded aviation gasoline is increased by a further one cent per litre effective April 28, 1989, to discourage the use of leaded fuel. This increase in tax on leaded fuel will accelerate the decline in the use of this type of fuel in recognition of the hazards to the environment and the health of Canadians caused by lead emissions from gasoline.

The excise tax on diesel fuel is not being increased.

There is also a fuel tax rebate program. Bill C-20 extends the sales tax portion of the fuel tax rebate program for primary producers for one additional year to December 31, 1990. The fuel tax rebate program was established in the fall of 1984 as a temporary measure.

Under the program, farmers, fishermen, hunters, trappers, miners and loggers are entitled to receive rebates of federal sales tax and excise taxes on vehicle fuels used for off-highway production purposes. Under the new goods and services tax to be implemented on January 1, 1991, all commercial users will be entitled to recover federal sales tax on business inputs. The rebate of the federal sales tax to primary producers in respect to fuels used for off-highway production purposes will be extended for one additional year pending implementation of the goods and services tax.

Thus, in 1990, farmers will continue to receive sales tax rebates of 3.5 cents per litre in respect of gasoline and diesel fuel for off-highway production purposes. Other primary producers will receive rebates of three cents per litre. The cost of this extension is estimated to be $125 million.

The excise tax portion on the fuel tax rebate program will expire as scheduled on December 31, 1989.

There are also taxes on tobacco products which have been increased substantially.

These measures will raise approximately $900 million in 1989-90 and $970 million in 1990-91.

I would like to conclude my remarks with the words of a tough talking Finance Minister who rose to preach of his belt-tightening Budget. He said:

> We intend to continue severe restraint—our experience this past year, and the prospects next year, force us all to recognize the essential problem of the control of public expenditures in Canada today.

Those words ring as true today as they did on October 22, 1968, when Finance Minister Edgar Benson delivered the first Budget of the flower power and just society Trudeau Liberals.

The rhetoric of restraint will always be the same, but this time this Government will take hard action to back it up.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, it is a pleasure for me to rise this evening to speak on Bill C-20, which implements various budget measures previously announced by the Minister of Finance (Mr. Wilson). Indeed, after the recent comments of the Right Hon. Leader of the Opposition (Mr. Turner) I feel renewed vigour in taking this opportunity to participate in the debate this evening.

Bill C-20 contains the legislative amendments required to implement the federal sales and excise tax and duty changes announced in the Budget. During the debates in the House on the Budget, even though I was on the Speaker's roster, due to the number of Members wishing to speak I never did have that opportunity. Thus I am doing so this evening.

My comments this evening will incorporate my reflections on both the excise tax Bill and the government Budget.

All Canadians today are concerned with the annual deficit and the national debt. However, with respect to this Budget and, in particular Bill C-20, the result is very disappointing. Whatever objective the Government had in mind, the Budget has failed to set up a proper course.

In particular I want to address this Bill in the context of three possible budgetary objectives, objectives which the Government espoused in its Speech from the Throne, namely, fiscal responsibility and deficit reduction, social fairness and investing in Canada's future.

By any measure the Government has not only failed to make progress on these fronts but seems to be going backward. The Government's budgetary approach is full of contradictions, half measures and false starts. One example is the impact of the manufacturers sales tax on the average Canadian family through the imposition of this tax increase from 12 per cent to 13.5 per cent. This is

the most insidious form of taxation, one that is hidden and one which particularly hurts lower income Canadians.

In terms of fiscal responsibility, the Government has slashed some programs, raised taxes and with what do we end up? A deficit that is $1.6 billion bigger than last year. It is almost comical.

By end of next year the total national debt will be $350 billion. In 1984 it was $200 billion. Thus in little over five years the Government will be well on its way to doubling the national debt.

What is more astounding is that these five years have been a period of strong economic growth, ones in which government revenues have increased by over $30 billion annually. Yet the Government has failed to apply this increased revenue against the deficit. Obviously, we have a Government that was taxing us to the limit while continuing to overspend.

The Minister of Finance (Mr. Wilson) now seems to have decided the culprit is in interest rates, conveniently ignoring the fact that the Bank of Canada's fiscal policies are largely set as the result of government direction. Any inflationary feelings we are having in the country today are due to the high interest rates that his own Government has imposed on Canadians. Yet when we hear of the Government spending $2.7 million on ads to educate the public about the Budget or $25,000 to count rose bushes in the PM's backyard one begins to wonder if there are not other reasons.

In the area of social fairness both inside and outside the country we are backtracking on our commitments. Foreign aid has been cut back by $360 million directly contradicting our stated commitment to increased funding levels to 6 per cent of the Gross National Product.

The closing of Armed Forces bases across the country will particularly hurt the economy of regions such as the province in which I grew up, Prince Edward Island. To take 1,300 jobs out of the economy of P.E.I. is equal to taking 35,000 jobs out of the economy of Quebec, or closing the auto plants in Ontario. If one does not think that Ontarians and Quebecers would be up in arms if we took those jobs out of their economies then one would be in for a surprise.

The relative burden of tax on lower to middle-income Canadians continues to rise. A family with an income of $32,000 pays $680 more in taxes than it did in 1984, while those with incomes greater than $100,000 pay less. With the implementation of the regressive 9 per cent federal sales tax in 1991 matters will only get worse. The Government continues its short-sighted approach toward investing in Canada's future. The new federal sales tax will create an administrative nightmare for small and medium-sized businesses.

• (2040)

Despite the Government's stated commitment to science and technology, it is continuing to cut back or eliminate some of the most successful programs used by small and medium-sized high-tech firms. The Defence Industry Productivity Program, of great assistance to defence related industries, will be cut back by $25 million in 1991. Worse still, the Unsolicited Proposals Program will be eliminated entirely. What was previously called an integral part of the Government's contracting out policy in science and technology, the UPP, is to be phased out. In one fell swoop, the Government has wiped out one of the best ways of assisting the start up of small and medium-sized high-tech firms. I am beginning to think the Government does not know the difference between investment and expenditure.

The Budget will mean fewer jobs for Canadians. The Conference Board of Canada predicts that 97,000 jobs are being lost and they predict that unemployment will rise from 7.7 per cent to 8.5 per cent.

What are the serious effects of the Budget? First, post-secondary education and health cases are being seriously affected with the Government's failure to continue its commitment to fund our colleges, universities and hospitals. Taxes on a traditional family with one income earner and two children have gone up more than seven times faster than families with high incomes. Taxes on families with children have increased more than families without children. The Budget discriminates against families in which one parent is the primary income earner.

The Budget is an attack on the elderly. The so-called claw-back of old age security benefits is one area that definitely warrants further attention. At first glance, the claw-back provision seems reasonable, but when one begins to assess it, one suddenly realizes that the old age

pension benefits will be taxed back at a rate of 15 per cent on individual incomes over $50,000, rising to 100 per cent for incomes reaching $76,000.

According to the Government, this measure will affect only 4.3 per cent of seniors. As one senior's organization put it to me, however, this is but the thin edge of the wedge because the $50,000 threshold is to rise at a rate of 3 per cent less than inflation. Claw-back will start at $36,000 by the year 2,000, and in 20 years it will start at $28,000 and affect two million Canadians.

Furthermore, the whole approach is full of anomalies. One income earner families with salaries over $50,000 will be taxed, but a wife and husband each earning $50,000 or less will not. High-income seniors will find themselves paying more tax than individuals under 65 earning the same income, while seniors who live permanently outside Canada will not be taxed on their old age security cheques at all. Add this to the new sales tax slated for 1991 and cuts to federal funding for medicare, and the result is an unprecedented tax grab on the seniors of this country.

This Budget is an attack on the dairy farmers as well. Our farmers have been told that there will be a capping of their milk quotas for the next two to three years. Milk capping means no new revenue, yet their costs will continue to escalate. Who would want to be told that their salary will stay where it is for the next two to three years?

In addition, after 1990, farmers will be charged excise tax on farm gasoline when the sales tax reform is implemented.

All Canadians are concerned and most anxious to see the deficit reduced, but not on the backs of low-income people, families and our adult population. There is a great concern in the country today as is reflected in the amount of mail that is coming into my office from people in my riding of Nepean alone. They are stressing the points I have mentioned in my speech today. They are extremely worried about their future and the future of their children and grandchildren.

I ask, indeed, beg the Government to reconsider some of the measures in its Budget proposals and to try to have compassion for Canadians.

[*Translation*]

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I am pleased to ask a few questions and to make a speech in the House this evening, particularly when the Minister of State for Privatization and Regulatory Affairs (Mr. McDermid) is present, as is the Hon. Member for Winnipeg South (Mrs. Dobbie), because during my last speech in the House she kept heckling me and I found that rather challenging. Perhaps she will have an opportunity to do so again this evening.

[*English*]

In my submission, Bill C-20 is a bad Bill and should be rejected. I want to talk about some of the more pernicious tax increases contained in the Bill. First, let me summarize its effect briefly. The rates of federal sales tax are increased from 18 per cent to 19 per cent on alcoholic beverages; from 10 per cent to 11 per cent on telecommunication services and telecommunication programming services; from 8 per cent to 9 per cent on construction materials; and from 12 per cent to 13.5 per cent on all other taxable goods.

The Government maintains that those tax increases will generate an additional $2 billion in its first full year of operation. That is $2 billion more in tax revenue to help feed the insatiable appetite of the Government for public spending which it has done on a most impressive and continuous scale of increase, despite its phoney protestations to the contrary.

The tax increases the Government has proposed, along with the others it has implemented since it was first elected in 1984, represent the largest tax increases any government has imposed on Canadians in our history. Frankly, it is a shocking record of financial neglect, financial mismanagement, and ministerial incompetence on a scale we have not witnessed since the Diefenbaker Government in the 1950s and the early 1960s. The Hon. Member for Winnipeg South (Mrs. Dobbie) laughs. I recognize that laugh, a nervous laugh of those who realize that defeat is imminent. The Minister of State for Privatization (Mr. McDermid) is getting into the act.

They may feel comfortable in their majority in the House, but they are worried. They know that Members like the Member for Calgary Northeast (Mr. Kindy) will be deserting the Party on crucial votes in the House.

Sooner or later, people will come to their senses on the other side and desert the Government in sufficient numbers that bad Bills like this will be defeated on the floor of the House of Commons and we will go to the people to let them decide whether a Bill imposing these kinds of taxes is what they want.

I want to deal with Bill C–20 in the context of the leaky Budget that Members will recall was introduced in the House on April 26. Let me refer to some figures prepared by Global Economics Limited, an Ottawa based economic consulting firm which did an in depth analysis of the income distribution implications of the Budget. They have developed a new social policy simulation data base and model. Apparently Statistics Canada refers to it as "a powerful new tool with which to analyse the impact of tax and social policy changes". So it is widely acknowledged to be an extremely effective computer model which is quite useful for doing the kind of economic analysis which is helpful in determining the effect of the tax changes that have been introduced.

• (2050)

When this Budget has been fully implemented—the Hon. Members should try to contain themselves. I know they will want to make speeches later. I know the Hon. Member for Winnipeg South will want to speak in this debate, because her constituents will want to see her views on this Budget. They will want to know how much she supports this kind of Bill that taxes them to the hilt. I do not believe they are in favour of these tax changes, and she may want to remember that come next election.

When these budget measures have been fully implemented, the additional tax burden per family will on average across Canada be $382 per year more out of people's pockets. Let us hear the really unjust part. If you do not think that is unfair, Mr. Speaker, of that $382, $151 of it will be in personal taxes; that is, in income type taxes. The remaining $231 will be in consumption taxes, sales taxes, the kind we are discussing in this wicked Bill tonight that the Government is suggesting that we pass.

I want, as a passing note, to remark that this Bill, having been debated once in this Chamber for a matter of hours on Tuesday morning, June 6, is now being brought forward for debate starting at about 7.40 p.m. tonight under closure. This Government is trampling on the rights of Parliament in order to force this unpopular Budget on the people. A Liberal Government has never used closure on any budget bill. This is a complete breach of parliamentary practice. It is a shocking display of the inability of the Government to come to grips with the fact that it was elected to be responsible to this House of Commons. That is what it was elected to do and it is not being responsible. It is trampling all over this House.

Some Hon. Members: Oh, oh!

Mr. Milliken: Hon. Members laugh at the trampling of the rights of Parliament. Eighty–three per cent of Canadian families will see their after tax income drop as a result of this Budget. Indeed, half of those whose earnings are less than $25,000 a year will see their after tax incomes drop.

This Budget is particularly hard on the elderly. One million, three hundred thousand elderly Canadian taxpayers will experience a decline in 1990 in their after tax income as a direct result of this Budget and of the tax measures contained in Bill C–20 that we are discussing tonight.

An Hon. Member: It is not funny.

Mr. Milliken: It is not funny, and indeed I just today had three letters from constituents of mine complaining about these claw–back provisions. I see the Parliamentary Secretary to the Government House Leader (Mr. Cooper) is finding this amusing. I do not find the harsh treatment of seniors by the Budget a laughing matter. I think the Government should be ashamed of itself for the tax changes that it has proposed in this respect.

I had three letters today from constituents who are seniors and who had contributed through Old Age Security—I wish there were not so many interruptions, Mr. Speaker. It is disconcerting to continue with a sensible speech when Hon. Members opposite continually heckle. I see that the Hon. Member for Calgary Northeast (Mr. Kindy) has disappeared and I know he agrees with everything I am saying.

I had three letters today from constituents in Kingston complaining about the fact that they have contributed money for years through the Old Age Security tax to the old age system. Now they are being deprived of the income that they would have expected to get but for the claw–back provisions contained in the Budget. They maintain it is unfair. I maintain it is unfair and Hon.

Members opposite obviously are ashamed of that tax. That is why they are doing all this yelling and interrupting because they do not want to hear how bad this is.

Mr. McDermid: The Liberal Party suggested that. The Member from Etobicoke suggested that.

Mr. Milliken: Let me read from a speech given at the time of the introduction of this Bill by the Hon. Minister of State for Finance (Mr. Loiselle). Hon. Members opposite will want to hear these pearls of wisdom from their own front bench.

He said, as reported at page 2640 of *Hansard*:

> The federal sales tax is also the centrepiece of another key element of our strategy to strengthen Canada's economy and preserve essential programs.

Of course their idea of essential programs and everyone else's apparently are different. We have cuts in VIA Rail which we consider exceedingly important. We have cuts in defence spending which we did not in every case consider quite so important, but in certain cases we consider extremely important, and we have unfair tax measures. Those are what are called essential programs apparently by the Minister of State (Finance). He went on at page 2642 of *Hansard*, and referring to the Budget, he said:

> It recognizes the need to build on our progress to date and to take firm action at this time to ensure that we can pass on to the next generation the ability to protect and strengthen the fundamental values that are so much a part of life in Canada.

I wish we knew what were the fundamental values that the Minister of State (Finance) thought were so much a part of Canadian life. It seems to me that this Government has done irreparable harm to all those values in this Budget. One of the values that we as Canadians have cherished for years is the element of fairness in the tax system, and I suggest that the changes proposed in Bill C-20 that hike that most regressive of taxes is hardly what could be called fair. Indeed, it is contrary to the values of Canadians who believe that fairness in the tax system is an essential principle upon which our country operates.

I do not want to let my hon. friends on my left think that I am ignoring them. Of course their views on the subject of budgets are very important, too. I had prepared this speech to deliver on the day that we started discussing this measure, on June 6, and I had a very timely newspaper account that I had received that day which I thought was going to be of some assistance. I realize it is a bit dated now, but the New Democratic Party always tries to blame tax changes on us. We heard it earlier today where they were maintaining that there was some kind of alliance between this Party and the Progressive Conservative Party. Everybody knows that is rubbish and nonsense. It is more frequent, it seems to me, that the New Democratic Party agrees with the Progressive Conservative Party. They often agree on various things because once you get around the circle of political spectrum, the right and left tend to meet, and that is what is happening here.

I want to read a quotation from *The Winnipeg Free Press* of June 4, 1989. It was a report of a speech that was being delivered by their Leader, the Hon. Member for Oshawa (Mr. Broadbent). I guess he was making what was to be his swan song before the Manitoba Liberal Convention—sorry, not the Liberal—the Manitoba New Democratic Party Convention. There is more mention of Liberals and Conservatives in this than there is about NDPers. But then there are more of both in Manitoba, I am told.

This is apparently paraphrasing the Hon. Member for Oshawa:

> While the Conservatives talk about the sacred trust during elections and break that pledge in power, the Liberals talk like New Democrats when wooing votes and act like Conservatives after the polls close.

An Hon. Member: When?

Mr. Milliken: This is what the Hon. Member for Oshawa said. He continued:

> One happens to be in power. The other happens to be in opposition.

The thing that is peculiar about that, Mr. Speaker, and you will see in a minute why, is that he was speaking in a province where the New Democratic Party had been in power, and it was suddenly no longer even in opposition. It was reduced to third-party status. The reason it appears that that happened was that the New Democratic Party government began to act like a Conservative Government while it was in office. It started raising taxes the way this Conservative Government is doing here in Ottawa. The people of Manitoba had the good sense to give them the heave ho. I will read the rest of this excellent article. The article continues:

> Broadbent also had soothing words for the Manitoba party, turfed last year from power in a provincial election that gave the NDP a humbling 12 seats in the legislature.
>
> All movements suffer losses and the electorate punishes mistakes, but people eventually see where their best interests are, he said. "They'll go back very quickly to the NDP in this province."

Now, the polls certainly do not indicate that they are returning to that particular fold. Indeed, the polls indicate that they are turning with renewed enthusiasm and interest to the Liberal Party. The Hon. Member from Portage—Interlake (Mr. Holtmann), who obviously has problems in his own riding, had the good sense to abstain on one of the votes on the Budget because he knew what a disaster the Budget would be for him electorally. I am surprised that the same thing has not occurred with more Hon. Members opposite. The Minister of State for Privatization (Mr. McDermid) must be shaking in his boots. The Hon. Member for Winnipeg South (Mrs. Dobbie) must be shaking in her boots, because she must know that her chances in the next election are slimming fast. Those are the Minister of State's new boots, presumably purchased for the Budget.

• (2100)

Judy Wasylycia-Leis, on talking the Hon. Member for Oshawa (Mr. Broadbent) out of resigning, said:

> I don't expect to succeed, especially now that Ed Broadbent has been offered a full-time job with the Royal Canadian Air Farce.

That is a quotation from the *Winnipeg Free Press*. And here in this Budget the Government opposite is cutting back on the CBC. How can the Hon. Member for Oshawa (Mr. Broadbent) take his position with the CBC when the Government is cutting back its budget? How can the Royal Canadian Air Farce appear as regularly as it ought to?

We have here an illustration of the kind of problem that the New Democratic Party gets into whenever it gets into office. It starts to act the way this Government is acting; it hikes taxes and it pays no attention to the wishes of the people. Liberal Governments, on the other hand, in general—there has been the odd exception but it is a very odd exception—have tended to fairness in the tax system. The record indicates that we, as a Party—and of course I do not claim to have been a member or supporter of any of the Governments in terms of being a supporter in this House in the past—but as a Party we tend to have introduced very fair and reasonable tax changes, not the kind of unfair, regressive, harsh and improper measures that are contained in Bill C-20.

Mr. McDermid: What about Allan MacEachen?

Mr. Milliken: The Hon. Minister of State for Privatization refers to the former Minister of Finance, Mr. MacEachen. He was an excellent Minister of Finance, indeed there was a string of excellent Ministers of Finance under Liberal Governments. I would like to refer him to Mr. Benson whom his colleague from Cambridge was quoting a little while ago. He was one of my predecessors as Member for Kingston and the Islands and he presented excellent budgets in this House. No one has stood up here and dumped on those budgets to date. I know that the Conservative Party ranted and raved a bit at the time, but nowadays his budgets are held as reason and light compared with the leaky budgets we are getting from this Minister of Finance. Canadians never objected to the taxes imposed by Mr. Benson the way they have opposed the huge taxes that have been imposed by this Government, and Mr. Benson's budgets were occasionally balanced. He did not bring in a string of budgets over a five-year period that doubled the national debt and led to a complete breakdown of the financial management of the country.

In this Budget we are witnessing a complete failure of a Government to deal with the debt problem. Government Members keep talking about how much they are going to do about the national deficit but in fact they have done nothing, the reduction has been minimal. In fact, the deficit increased this year, and the Minister of State for Privatization knows that. All his pious posturing comes to nothing in this. He must realize that the largest tax increases are being made in this Budget and yet the reduction in the national debt is zero; it has gone up, very significantly up.

Mrs. Dobbie: No, no.

Mr. Milliken: The Hon. Member for Winnipeg South shakes her head. Obviously she does not read the Government's own figures because it is perfectly clear that the deficit was $29 billion last year and it is $32.5 billion this year according to the Minister of Finance. That is my recollection of the figures. I may be out a billion or two but not by much more than that.

Mr. McDermid: What's a billion to a Liberal?

Mr. Milliken: What's a billion to this Minister of Finance? With a $340 billion national debt, what is one more billion? It obviously does not matter to him and it obviously does not matter to the Hon. Members opposite. The only person who seems to care is the Hon. Member for Calgary Northeast (Mr. Kindy) and I congratulate him for his good thinking.

Some Hon. Members: Hear, hear!

Mr. Milliken: I wish, Mr. Speaker, that he were more persuasive than I and was able to convince some of his colleagues to vote the way he has.

I know that you would like me to conclude, Mr. Speaker. I know that Canadians reject this Budget, they reject this Bill, and I suggest to all Hon. Members that when the vote comes at one o'clock tomorrow morning we vote against this Bill and reject it.

Mr. Howard McCurdy (Windsor—Lake St. Clair): Mr. Speaker, I do not know whether we are witnessing a debate or a live performance of the Royal Canadian Air Farce. I listened to the Member on the Government side moments ago reading dispassionately, almost with the numerical enthusiasm of an accountant, a list of all of the taxes, with no emotional content at all, except his glee that the numbers were so big. That was followed by a little giggling on the other side, only starting, however, because the Hon. Member for Kingston and the Islands (Mr. Milliken) had not yet taken full flight of his senses and referred to the New Democratic Government of Manitoba in what I would say were scurrilous terms. He did not say anything about the small thinking that characterizes the Liberal Government of Ontario. A presidential candidate in the United States talked about a thousand points of light, in Ontario they had only one "Starr".

This is the House of Commons, Mr. Speaker. This is supposed to be the place where the will and desire of the common people are to be reflected. I know that you will be saying that the nomenclature is to draw a distinction between the inherited nobility and the others. There is a new nobility in this country and that nobility was not established by the Conservative Government, it had its beginnings in the Liberal Government.

We have a situation in this country where it is perfectly clear that there is a relatively small number of people, powerful people, monied people, and their lawyers and accountants, who make huge quantities of money advising that new nobility how to avoid taxes. Indeed, they tell Governments, both Liberal and Conservative, how they can not only write tax laws so that the new nobility will not suffer, but as well how to convince the ordinary, average Canadian—who is not a part of that clique of old-school ties and monied network—that this is the best of all possible worlds, that he and she is being treated very fairly and that even if they are collecting unemployment insurance or welfare, they had better be seriously concerned about this deficit.

The Government of the people has been taken away from the people. It has been taken away in the form of taxes which are imposed most heavily on the poor and the middle class while those who have consistently filled the coffers of the Conservative and Liberal Parties have continued to be spared.

• (2110)

The analysis is a very simple one.

Mr. Milliken: That is drivel.

Mr. McCurdy: Mr. Speaker, he will probably argue that there was no Carter Commission and that Mr. MacEachen's attempt to produce a truly equitable tax system was not turned down by a Cabinet that he would certainly defend, no doubt.

Mr. Milliken: You opposed the Budget, too. Don't give me that nonsense.

Mr. McCurdy: The evidence is clear. What we have before us is a piece of legislation which will add a further burden on ordinary Canadians in the form of regressive taxes. I am sure I do not have to explain that to the Member for Kingston and the Islands (Mr. Milliken). He seems well educated on the nature of the tax system. I do not know why he did not say something about this, instead of engaging in this silly little *tête à tête* with those Members on the other side who do not really give a darn anyway about the effects of this Budget on ordinary people.

Let us make sure that we have this firmly in our minds, because I want the Canadian people to have it firmly in their minds. Between 1984 and 1988, the average family of two parents and two children were burdened with an additional $1,300 in taxes; $900 of that was in the form of consumption taxes, in the form of regressive taxes, taxes that will constitute a higher proportion of the wages of

those who earn relatively little as compared with those who earn a lot.

If somebody is making something in the order of $10,000 a year, the regressive tax increases which have been provided by this Government would hit him to the extent of 11 per cent.

However, if somebody is making $40,000, it hits him to the extent of 7.7 per cent. And if somebody is making real money, it probably will not be noticed at all, because it is not going to amount to much more than 4 per cent. That is what a regressive tax means. It means that a higher proportion of the wages of the poor and the middle class is paid in the form of taxes because when they make the purchases of those things they need—and I am not talking about a cabin on the lake. I am not talking about a yacht. I am not talking about a Cadillac. I am not talking about a BMW. I am talking about the ordinary necessities of everyday life. If somebody is making $10,000 a year, that is 11 per cent of what is spent, because just about everything is going to go on consumption taxes.

Then we have this piece of legislation which we are dealing with this evening, Bill C–20. That adds even further to the burden. Depending on whether you smoke a lot or drive a lot, you will be paying an additional $500 to $700 more in consumption taxes, in sales and excise taxes. That means a total of an additional $1,500 for that average family of four which I was talking about. That is supposed to be fair?

This is being imposed upon the poor and the middle class. They just do not have the power, the influence, the newspapers, the editorial columnists and the accountants to protect them. So long as that is true, governments like that across the way and Liberal governments before who started this business will get away with it unless people begin to realize that they are having it socked to them. They had better be getting so mad that they are not going to take it any more. I am sure that the evidence is mounting to the point where the people in Canada are not going to take it any more. They are not going to have this money stolen out of their pockets to benefit the few, while nothing is done to improve this country as far as they are concerned in terms of their security and jobs for their children.

An Hon. Member: They are all going to vote NDP.

Mr. McCurdy: The hon. gentleman over here said that they are all going to vote NDP. There may be some changes in the winds of Canada such that ordinary people are not going to take this any more. They are not going to be the constant source for every little increment in taxes intended to spare the burden on those who have already got too much.

Listen to the litany of new taxes. Can you imagine this, Mr. Speaker? The Government is going to increase the tax on construction materials and equipment from 8 per cent to 9 per cent. We desperately need more taxes on construction materials. We need to increase the cost of housing. That is dreadfully necessary. That is a significant contribution to the welfare of the economy.

The Hon. Member across the way thought it rather peculiar that the Member for Kingston and the Islands was criticizing the increase in the sales tax on alcoholic beverages and tobacco products. However, there is something, I suppose, to be said about taxing the sins of the people. One might say, however, that the Government is making life so difficult that even with the increased tax they may be pushed in the direction of paying that extra money just to get some surcease from the sorrow imposed upon them by this Government.

Let us go on. An increase in the sales tax on telecommunications from 10 per cent to 11 per cent. I understand from the comments of the Member for the Yukon (Ms. McLaughlin) that this alone will cost something in the order of $4 million additional in the Yukon. We have no estimates of the increased costs for long distance calls for those who live in rural communities who are dependent upon long distance telephones for communication. Who is going to pay? The great mass of ordinary Canadians will pay a far higher percentage of their incomes in paying for that than will those who this Government represents.

The Government is going to increase the sales tax on all goods from 12 per cent to 13.5 per cent. There is to be two increases in the excise tax on gasoline. One cent a litre now, one cent a litre later. That is a really popular tax in Windsor. We like the idea of it costing more to drive automobiles, so we sell fewer of them. That is a good idea, too. Yes, this Government is full of good ideas, good ideas which generally affect those who have the least power and those who cannot respond to the influence of those who want to maintain positions of wealth. I know, Mr. Speaker, that you are going to say that we have a deficit. That is true. We have a deficit. I

would submit that much of this deficit is caused by the silliness that has been pursued in the constant effort to spare those who ought not to be spared from paying their fair share.

We have heard that the deficit is caused because there are too many expenditures on social programs and all kinds of nonsense. Of course, in response to that kind of statement and belief—I am not so sure it is really a belief, I think it is just a little bit of propaganda that the very wealthy get away with and the Government is pleased to carry forward. However, the notion out there is that social programs are what contribute to the deficit. Of course, we have these rearrangements in the UIC to increase by 50 per cent the payments that workers are going to have to put in even though the outcome of all of this will be fewer benefits, longer qualifying periods and shorter periods during which they will be able to collect it.

I could cite any number of taxes on social programs intended to respond to this notion that the deficit is really about too many expenditures on social programs. We know better, Mr. Speaker. Consider a drop in the marginal rate of income tax from 43 per cent to 29 per cent. I would suggest that that must have made a significant contribution to the deficit.

• (2120)

Considering that in the last 20 years the contribution to income tax by corporations has dropped from around 50 per cent to 11 per cent, I would think that would have something to do with the deficit as well. We have this interest rate thing and that is an interesting one, too. Interest rates have gone up by about 4 per cent. That accounts for about $6 billion in the deficit. In other words, there are alternatives that could have been chosen to get rid of the deficit and maintain some fairness in the system. The New Democratic Party is bound and determined that this country will have a system of taxation which will be fair, not to the special interests and the new nobility that the Government is proud to represent, but a system that will ensure that people will pay their fair share and get their fair share.

I am sure that there are those on the other side who will say that the New Democratic Party has expressed concern about the manufacturers' tax. We are concerned about the manufacturers' tax. But we do not see that a solution to the manufacturers' tax is adding yet another 9 per cent, upping the ante from some $23 billion to $40 billion in consumption taxes, amounting to another $1,000 taken out of the pockets of the ordinary Canadians, the poor and the middle class. That is unacceptable. This is a tax that is peculiar in a number of ways. First you see it, then you don't. You may see it and maybe you won't. The Government has not made up its mind if it is going to be secret. It would prefer to have it secret, but my God, it would have to break a promise. Oh, well, it hasn't had too many problems with broken promises in the past.

I suggest, Mr. Speaker, that this new goods and services tax, the other shoe to drop in the so-called tax reform, should be wiped from the boards and a whole new approach used that will eliminate this constant push for imposing more and more regressive and hurtful taxes on those who are least able to pay so as to ensure that those who have the money in their pockets pay their fair share. We have a number of suggestions in that regard: optimize the rate on high income earners; impose a minimum tax, a good left wing socialist minimum tax on corporations like that introduced by Ronald Reagan in the United States.

Let us talk about an addition to a fair marginal rate, an increasingly marginal rate of income tax if we are to ensure that wealth is equitably distributed, not punitively distributed, but equitably distributed. We should choose a tax that will not offend the notions of encouraging investment. So let us talk about a tax and not wealth. Let us talk about a tax that taxes what should be taxed, what you have, not what you get each year. One per cent a year is $20 billion to $30 billion a year in new revenue. Some of the wealthiest of the nobility have, in fact, suggested that that would be a good, innovative and fair approach. That is what we should pursue.

There is no way in this world, not under any circumstances, could any member of the New Democratic Party support this Bill before us tonight. There is no way a well-informed citizen of this country, making less than $50,000 a year, could vote for this legislation. We represent those people.

An Hon. Member: Well, a few of them.

Mr. McDermid: Come on.

Mr. McCurdy: We in this chamber represent those whose interests we will ourselves to represent, whether they vote for us or not. We are strong on principle. We stand on a principle of fairness and fairness says that Bill C–20 should be rejected.

An Hon. Member: He is ranting and raving.

Mr. McDermid: What a pious pomp.

Some Hon. Members: Oh, oh!

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, the previous speaker has said it very well. I am not sure what I can add, but I want to make a few comments on Bill C–20, the Bill on excise and sales tax. We could be calling it an example of sorry Tory tax reform, part 2.

First, we are debating a piece of legislation, the results of which to some extent taxpayers are already feeling the bite. Some aspects of this legislation came into force on June 1, 1989. Other aspects came into force on April 28. Taxes on cigarettes were increased in April and are due to increase again on October 1. This is interesting, as we have already learned that distributors made huge windfall profits on the first hikes on cigarettes which was based on inventory and on which they subsequently charged the new tax.

The Minister of National Revenue (Mr. Jelinek) has admitted that he is concerned enough about this possibility of people making profits, basically speculating on the Budget, and he is concerned enough that he will take these concerns to the Minister of Finance (Mr. Wilson). Whether they will be addressed by October 1, we do not know. Again it is the taxpayer, the ordinary Canadian about which the previous Member spoke so eloquently, who pays the price in the end.

As for the stock market, those who choose to speculate do it knowingly and I am sure that some businesses can speculate on tax increases. This is hardly something that can be considered fair and hardly something which taxpayers can feel is an equitable burden.

There is the question of the manufacturers' sales tax, a tax which the Minister of State for Finance (Mr. Hockin) on June 6 called seriously flawed. There has been much discussion in committee and in the House on the evils of the manufacturers' sales tax and why the proposed goods and services tax of the Government will redress those evils. What does the Government do about this seriously flawed tax? Did it make an attempt to make it fair? Did the Government make an attempt to address the flaws? No. The Government ensured, by increasing the manufacturers' sales tax by 1.5 per cent, that it would deal with this seriously flawed tax by making it worse. This characterizes much of the Budget planning and policy of the Government.

The people who are the consumers are those who see an increasing tax bite out of their pockets and we see more and more people living day to day on that average salary.

I was speaking earlier to my colleague from Saskatchewan. He pointed out to me that in a survey he saw recently more than half of the people in one of the communities he was looking at in Saskatchewan were living below the poverty line. These are the ones who suffer the most from this kind of hidden and regressive tax system. These are the people who will feel that 1–cent increase on gasoline the most. Not only will it affect them personally, but they will see it in public transit and everything else.

I mentioned before that in dealing with the flawed manufacturers' sales tax the Government has chosen to take the tack of entrenching it as opposed to redressing it. Then the Government tries to tell us that the proposed sales tax on every purchase, the goods and services tax, will be good for us, that it will make things fairer and change the inequities of things like the manufacturers' sales tax. During the debate on the Budget leak, the Minister assured the House that no profits would be made as a result of this leak. He assured us that when tax reform came into effect, the personal surtax would be removed. Later he said he would not be doing that. The Minister of Finance (Mr. Wilson) also explained that the new sales and service tax would get rid of the hidden aspect of the taxes we are discussing under this Bill. Now we learn that they will not be visible.

• (2130)

In fact, the Minister of Consumer and Corporate Affairs (Mr. Valcourt) said on June 11, not very long ago, that he felt that visibility in a tax system is the only way to ensure that consumers in the end do not get ripped off. The Minister of Consumer and Corporate Affairs was speaking to a meeting of the Consumers' Association. We would agree with him, but in this Bill, there is an

increase in taxes without redressing the inequities and unfairness.

This is one of the great concerns regarding the hidden aspect of consumption taxes. I cannot accept a sign on the wall as visibility. Everyone would need to have a calculator to calculate 9 per cent or 10 per cent of the price. When consumers see a tax at the bottom of the bills, they know exactly what they are paying. They know what percentage of the purchases go toward tax and they know when the tax is increased.

An article appeared in *The Financial Post* today written by Michael Walker, a columnist. He was addressing the issue of visibility of the tax in an article entitled: "I withdraw my support for sales tax". The point this columnist makes confirms the point I am making about the importance of taxpayers knowing what they are paying on each purchase. He makes the point that not having this tax visible to the consumer results in a less open and responsible Government.

This Government has not been open with the Canadian people about the tax system. There are loopholes for corporations, those 60,000 profit-making corporations that still do not pay any tax. My colleague, the Hon. Member for Windsor—Lake St. Clair (Mr. McCurdy), mentioned the need for a minimum corporate tax, something we have advocated for some time. That would show the people that everyone carried a fair share of the burden of taxation.

It has been my experience that if people know their tax dollars are going to provide essential services, whether health services, education services or other public services, they are willing to pay the price. However, they want to know exactly what it is they are paying for and that they are not paying a disproportionate share of the tax burden.

Since the Government came into power, every man, woman and child in Canada is paying an extra $268 in sales and excise taxes, in hidden taxes. Taxes on gasoline have increased by over 7 cents a litre. Taxes on construction materials are now going up by another 1 per cent.

The Government says that it wants to and needs to raise taxes because of the deficit. It seems it has just discovered the deficit and the debt. We did not hear much about it during the election campaign, perhaps because the debt has increased by $100 billion since the Government came into power.

Mr. Milliken: More than that.

Ms. McLaughlin: Probably more than that, my colleague says. Regardless of that, the Government has felt it necessary to spend another $2.7 million to tell Canadians that we have a deficit, a ridiculous expenditure if in fact the Government were serious about using tax dollars wisely.

The Government has also not presented to Canadians that there are many assets owned by the Government represented in the debt, investments in schools, hospitals, roads, municipalities, northern territories and services for the disabled, the elderly and families, all of which cost money. These are investments in Canadians, in a Canadian society that we want to see as being compassionate.

We in the New Democratic Party do not accept increasing wage gaps with more and more people becoming impoverished. We see now that one in six children live in poverty. This is totally unacceptable. The Government says it is working toward tax fairness but that is simply a joke. It is not tax fairness, it is a tax grab which takes from those people who are the most powerless to protest and benefits those who have the most wealth and the most power.

I would like to talk about a few of the specifics in this Bill which are particularly onerous for people who live in remote areas but also have an impact on people in urban areas. In an area like the Yukon, it is much tougher. One of these is the telecommunications tax.

Last year when the 10 per cent telecommunications tax on long distance calls was brought forward, it had a very severe impact on those in the Yukon, the Northwest Territories and other rural areas. There are many people in those areas who use mobile and radio phones for business and also for ordinary, everyday use. All those calls then became taxable. It is a good example of people in one area with one perspective formulating a law without knowledge of people in other areas. I am sure many of those who formulated that tax do not use radio or mobile phones and had not even thought of that particular injustice.

The telecommunications tax has increased significantly the cost to small businesses and to governments. In the end, the taxpayer has to pay for that as well.

As an example, I would like to mention a study that was done in March 1989 by the Public Interest Advocacy Centre on northern consumers and telecommunications policy. The centre noted that a study done for it about eight years ago in connection with Bell Canada rate hearings found that Bell subscribers in the Northwest Territories, northern Quebec and northern Ontario spent on average between $625 and $650 a year on toll services, long distance services, as compared with an average of $206 for subscribers in the Bell territory as a whole. That is a very significant difference which represents not simply figures on paper but a lifestyle and a dependency on long distance in northern and rural areas. A discrepancy of some $400 per year is an indication of the effect this additional 1 per cent to the telecommunications tax will have in those areas.

In this study, the group related the onerous effects of a tax like this on low income groups and mentioned, for example, that the per capita income for Inuit in the Northwest Territories was only 53 per cent of the average for the general Canadian population. In northern Quebec, it was only 40 per cent of the average for the general Canadian population. These are the people who are most affected by this type of hidden, regressive tax that is a burden to the low-income person and the middle-income person, but largely does not affect the high-income person who can afford to pay an extra $10 or $15 on a telephone bill every month.

• (2140)

In the end, as consumers, we pay double. We pay the cost of the additional tax, and then we pay the cost that businesses will add to cover their costs. Therefore, this type of hidden sales tax is never a one-time effect. It has an effect both at the payment level and as a consumer at the level that business will raise their services to compensate for the tax. Clearly, that is the concern of associations such as the Conference Board of Canada when it reviewed the proposed goods and services tax and forecast the increase in inflation as well as the increase in unemployment that that will cause.

The Bill under discussion tonight is simply an example, a poor example albeit, of what is in store for us as we move toward the goods and services tax.

I would like to say a word about higher prices, because this clearly leads to higher prices and higher prices generally mean inflation. At the end of last week the Finance Committee, of which I am a member, made a unanimous recommendation to the Government to consider having the Bank of Canada reduce interest rates to deal with the question of the inflationary effect of high interest rates.

I rarely speak to business people in my area, and the majority of business people in my constituency have small businesses, who do not feel that these high interest rates are just killing them. Small firms with a small margin of profit create the most jobs in Canada and contribute much to our economy and our communities and they are affected the most by high interest rates.

This Bill does not represent any attempt to address issues of economic policy. It simply continues to add to the tax burden. It does not deal with the basic issues of tax inequities. It does not address the issue of a lack of tax fairness. Whether it is adding to the burden in the construction industry, which again affects many of our areas, or Canadian exporters, Canadians will see that this Bill is simply adding to the burden of the average Canadian taxpayer.

There is no way that I or anyone in my Party could support this Bill or the type of philosophy that underpins this Bill. When taxpayers have seen that in 1985 a family whose assets were valued at $6.2 billion received a $500 million tax break, and some 6,000 upper-income Canadians paid no tax at all, it is easy to see why Canadians will say about this Bill and this Government's tax policy that it is unfair, unjust, and they will reject not only the Government's policy but the Government.

Mr. Douglas Young (Gloucester): Mr. Speaker, in listening to some of the comments this evening, one of the things that struck me throughout the discussion of so-called tax reform, and I am assuming because the process was undertaken some time ago that the Act to amend the Excise Tax Act and the Excise Act are a part of that process of the Government, it is often difficult to tell exactly what the process is because there does not seem to be a great deal of continuity in what the Government is attempting to do. However, this Act reflects very well the philosophy of the Government in that it is obviously very comfortable with hidden taxes.

The amendments we are dealing with tonight are part of a continuing pattern of a tax grab that is obviously under way from now until January 1, 1991.

One thing I want to reiterate that many people on your left have stated, Mr. Speaker, on a number of occasions, is that the one promise that we believe the Minister of Finance (Mr. Wilson) will keep over the next 18 months will be that the imposition of the goods and services tax on January 1, 1991 will in fact be revenue neutral. The catch to all of that is that from the time when the taxes were announced until they are to be imposed in 1991, the Government obviously intends to take every penny it can out of the Canadian taxpayer by whatever means possible. That includes an increase in the manufacturers' sales tax from 12 per cent to 13.5 per cent. It also means this plethora of taxes we are being asked to vote on tonight, and as my colleagues have indicated previously we will oppose. Canadian taxpayers have to understand that this is part of a plan. The plan is not to reform the tax system. The plan is to attempt to bail out a Government that has doubled the national debt in the last four years.

We hear talk from members of the Government with respect to the deficit, and we hear talk about the national debt. There can only be one of two explanations as to why there has been this discovery over the last couple of months. If we give credit where credit is due, one has to take as a granted that the people in the Department of Finance last fall were prepared to support their Minister in an election campaign by stating that it was possible to implement $16 billion in promises that the Conservative Party was putting forward to the people of Canada out of existing structures and out of existing revenues. Now, all those programs have been cut or scrapped, or they were just commitments and not promises, and a lot of semantical arguments have taken place.

People who were looking forward to day care, or an enhanced program for military equipment acquisition for the armed forces, or people who were interested in seeing the agenda of the Conservative Party, have to try to to fathom what has taken place. If the people who made the projections last fall were honest, then they made grievous mistakes and somebody should pay, not only the taxpayer of Canada, who always pays the Bill in the final analysis, but those people who made those projections, who are responsible for them, and who backed up a series of arguments, including those of the Chairman of the Finance Committee who correctly pointed out last fall that the promises could not be kept and would result in a serious blow to the economic and fiscal situation of the country.

If, on the other hand, the people who made the projections last year were not only honest but competent, and in fact the Conservative Party misrepresented the state of affairs that we found ourselves in in this country, that is where push comes to shove. I believe that the people of Canada must, and it is their duty. I recognize that they believe that members of the Opposition, the NDP and the Liberal Party, will simply carp about those things, bring them up, and rehash them.

Canadians have to understand that we are going through a process, a turning away from traditional values and approaches to trying to help those people who need help the most into a Conservative agenda. As usual, the Conservative Party of Canada is running considerably behind events in Great Britain.

The Prime Minister of the United Kingdom came into this very House and praised the Government for its good management, and praised its approach to international trade. We have had the agenda of the former President of the United States, in his second term. There is no doubt that the Prime Minister and the Government have enormous respect for the former President of the United States. He played footsie with the American public through his first term. In the American system the second term is the last term, and that may prove to be prophetic in Canada that the second term for people with a conservative agenda is the last term. There is no question that the Prime Minister (Mr. Mulroney) followed in the footsteps of his friend the former President of the United States.

• (2150)

Mr. McDermid: It is a little misleading that in the United States you are only allowed two terms.

Mr. Young (Gloucester): That is what I said. I said that it may prove to be prophetic here—

Mr. McDermid: They have a third Conservative term down there, too, just like we are going to have a third Conservative term here.

Mr. Young (Gloucester): It may prove prophetic that the Canadian people may decide differently here.

I know that the Minister responsible for privatization also wants a gentler and more caring nation. Those are the kinds of things we hear in the Conservative rhetoric. However, the fact remains that Canadians, regardless of their political stripe, must understand what we are getting involved in in terms of what kind of Canada we are going to be living in.

As I looked at the materials that were made available to us by Global Television and assorted other people a couple of months ago, it was uncanny that dated April 27 we saw things and wondered whether it was not some sort of *déjà vu* in terms of last fall's election campaign. One wondered who wrote this stuff. Why sales tax reform? Because, among other reasons, it is damaging to the Canadian economy. It is a porous tax and an increasingly unreliable source of revenue, in terms of the existing federal sales tax.

Awfully important as well as the third basic flaw is that it is hidden from consumers. Tonight we are being asked to pass a series of tax increases, all of which are hidden from consumers, and all of which I suggest are part of the hidden agenda. It is not just hidden taxes, it is the hidden agenda that was kept from the people last fall that is now coming to light. It is a clear indication of where this Government wants to take us over the next three or four years.

The only visible thing during this session that the Government has put forward, and in particular the Minister of Finance (Mr. Wilson), is that they want to make sure that they hide every possible tax, oras was the case on April 7 when the Minister of Finance met with the Ministers of Finance from the 10 provinces, it was to try to get the provinces on board. On April 7, at a meeting held in Ottawa, the Ministers of Finance of the provinces were asked to indicate an interest to participate in a national sales tax scheme.

I would point out, because I feel it is appropriate at this time, that that national sales tax proposal that is referred to every now and again by Members to your right, Mr. Speaker, which was agreed to by members of the NDP and the Liberal Party in a unanimous report last year, was supposed to be visible. Every time we bring this matter up people suggest that it was a unanimous report and that we should be happy there is a reform going on. However, as usual, it is only part of what was proposed, and that is misrepresented when it is presented to the people.

The provinces refused to participate in the imposition of a national sales tax asked of them on April 7 and then told to them on April 21 by the Minister of Finance who said that we are going it alone. There were no details, no negotiations or anything else. The Government just decided to go ahead. That makes it clear to me that the most important thing was not the imposition of a national sales tax but that the Government had to get the mechanism in gear to raise taxes as quickly as it could and as often as it could until January 1, 1991. That is why I repeat what I said earlier. In fact, when the taxes come into play in 1991 Members to your right, Mr. Speaker, will be able to point very clearly and proudly to the fact that the new tax will be revenue neutral. Taxes will have been raised so much—literally by billions of dollars from a couple of months ago to December 31, 1990—that there will be no possibility of getting any more taxes out of the Canadian people.

The Government will drainthe tax well until there is nothing left in it. I am asking, and I am thinking that Members to your left, Mr. Speaker, are asking the people of Canada to join with us in insisting that the Government respect its commitments. However, if it is unable to do what it promised it would last fall in terms of implementing new programs such as day care and others because of deficits, high interest rates and because of the burgeoning national debt which it has doubled in four or five years, then the least we can ask of the Minister of Finance is that he respect his commitment to make this national sales tax visible.

Tonight, the House of Commons is being asked to authorize the Government to increase taxes on a tremendous series of services and goods that are essential to Canadian people. We all know that they are hidden taxes. The Minister of Finance has said time and time again in the House in response to questions: "People don't know how much they are paying for gas. They don't know how much tax there is on alcohol. People don't know how much tax there is on their telecommunications bill". We agree with that. However, we are being asked to do the same thing tonight.

It is a very strange conundrum that this new goods and services tax will have the result of having little signs in places of business all over the country and that we are going to hit the Canadian taxpayer with another series of hidden taxes. Everyone understands that people only pay taxes so long as they believe the system is fair and that the money is being spent reasonably well. That has always been put in doubt even at the best of times. However, the time is coming when Canadians are saying

not only are we paying too much in taxes, and not only is the tax system unjust and unfair, but we cannot trust the people who are collecting the taxes because we cannot even trust them on something that does not cost anything.

The only cost in making the goods and services tax visible is a political cost. There is no financial cost to anyone. There is not a collection cost to the Government. It will not cost the consumer one penny more, but there will be a political cost. The provinces from April 7 to April 21 did not take the Minister up on his take it or leave it deal. They would not get on board and play the game of collecting the taxes, paying the price politically of collecting both the provincial sales tax and the national sales tax, whichever way it was put together. They would use their collection system and their collection points. In other words, they would pay the political price of collecting the taxes.

When the federal Government saw that that would not work it said: "Now we do not want a visible tax. Because we are going to impose the tax and collect it we want it to be invisible".

As we are talking about the excise taxes and invisible taxes, or hidden taxes or regressive taxes, the other thing is that Canadians have to understand what the hidden agenda is. Not only is there a political price to pay for imposing a 9 per cent tax on January 1, 1991, but there is no question in anybody's mind that by 1992 or 1993 with a hidden goods and services tax how simple will it be to raise that to 10 per cent, 11 per cent or 12 per cent. That is the other part of the hidden agenda.

Canadians have to understand that the Bill we are talking about tonight is a clear signal that we are not into tax reform. We are trying to bail the Government out early in its mandate by imposing a series of taxes. Part of the process was to eliminate the personal surtax. We were going to talk about getting more equity in the system. It has been pointed out by some of my colleagues who have spoken here this evening that people in low and middle-income families have seen their taxes increase by $300, $500, $800 or $1,200 depending on the level of income. That has begun to cost too much politically. We know how much it costs the families and how much it costs single parent families in particular. We know how much it costs people with young families who cannot get any day care and there is an added burden on the parents.

Parents in Canada, men and women, children, the poor, the unemployed, the handicapped and the sick have to pay the taxes, be they excise taxes as we are discussing tonight, be they the goods and services tax that will come in in 1991 or be they the taxes that we are going to impose between now and then in various and sundry ways. However, the fact is that the people who will not pay the price are Members to your right, Mr. Speaker. They will not pay the political price of standing up and saying: "We need this much money to administer the affairs of Canada. You have elected us, it is our duty to collect the taxes from the people of Canada. It is our duty to spend the money". However, they won't tell us in a visible way: "We are going to take 9 per cent out of your pocket". The Minister said in the House that his idea of a visible goods and services tax would involve putting a sign up in a store. I will not even get into what that involves now.

• (2200)

One just cannot put up signs in stores now, that is not the Canada we live in. They have to be different sizes. They have to be in different languages, depending on what province one is in. They have to be at the front of the store, the back of the store, or inside or outside. Who is going to decide.

Mr. Benjamin: Hogwash.

Mr. Young (Gloucester): The Member says it's hogwash. It is unfair but it is true.

Mr. Benjamin: Quit appealing to bigotry. You can put up any sign you want in Saskatchewan.

[*Translation*]

Do you know what is going on here, Mr. Minister? I hear a Member who has been here for 15 years calling me a bigot. Imagine, Mr. Speaker, someone who does not even know what I am talking about now, yet he thinks he understands the true nature of Canada. Unbelievable!

Mr. Speaker, when referring to people who have a pretty fair idea of what is going on in this country, one has to admit that they are talking about siphoning more money out of the taxpayers by levying a general tax on goods and services. It is a matter of really knowing what one is talking about. It takes a lot of nerve to accuse me

in this House of entertaining preconceived ideas based on the language spoken in Saskatchewan or elsewhere.

[*English*]

Mr. Benjamin: Why did you mention signs?

Mr. Young (Gloucester): I said that the Minister of Finance (Mr. Wilson) mentioned signs. I did not mention them. He told us we are going to have to put up signs to indicate whether taxes are visible or not. The sign of the times is that so long as we have a tax that is hidden from the consumer, we are going to have problems that are a lot more serious than we understand.

As I indicated earlier, we are talking about the potential for abuse by a government. If we continue with the kind of deficits that are being run because of the high interest rate policy, where the cost of servicing the national debt is the equivalent of what our deficit is projected for this year, the potential temptation for going after the Canadian taxpayer as a result of a hidden tax that is being set at 9 per cent is too much to imagine.

With the track record of this Government and how it has broken promise after promise after promise, who can honestly doubt that whenever the crunch comes it will be very easy for the Government to change that sign from 9 per cent to 10 per cent, if in fact anybody looks at it.

I hope government Members will recognize that all of the problems that the Government faces at this time are basically because nobody trusts it. Government may not be able to carry out its stated objectives in good faith because circumstances change, realities change, the economy changes. International factors come into play and interest rates are affected by outside pressures. Many things can happen. Canadians are fair-minded.

They understand those circumstances. However, the Government has preached for several years, printed it in its own materials during the Budget process, a fundamental principle that taxation should be open, and visible. For no other reason than it refuses to pay the political price, that tax is hidden. That is what I believe Canadians will not accept.

We are being asked tonight, just before we break for the summer recess from this House of Commons, to pass a series of changes in the Excise Tax Act that will add a further burden to Canadians.

No one on this side of the House will support that. I hope Canadians will think about the hidden agenda of the Conservative Government with respect to the goods and services tax that will begin at 9 per cent, and will see that it's promise of keeping it at 9 per cent and being revenue neutral will be just another promise to break.

Mr. MacDonald (Rosedale): Mr. Speaker, I rise on a point of order. I seek the unanimous consent of the House to present the first report of our committee which was unanimously adopted this evening.

The Acting Speaker (Mr. Crosby): Does the Member have the unanimous consent of the House to present the report?

Some Hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

ENVIRONMENT—PRESENTATION OF FIRST REPORT OF STANDING COMMITTEE

Hon. David MacDonald (Rosedale): Mr. Speaker, I have the honour to present the first report of the Standing Committee on the Environment, Bill C-22, an Act to amend the Canadian Environmental Protection Act.

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

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT AND EXCISE ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Loiselle that Bill C-20, an Act to amend the Excise Tax Act and the Excise Act, be read the second time and be referred to a legislative committee.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, Bill C-20 will increase taxes on practically everything. This Bill on which the Government just placed closure will affect every Canadian family. It will increase the taxes that every person in Canada will have to pay.

It increases the telecommunication services tax, the tax on gasoline, the tax on construction materials, wine and all such goods.

It increases the tax on aviation fuel and on tobacco, cigars and snuff. It increases the tax on practically everything one can think of because it will affect every single Canadian family.

The one tax being implemented in the Bill tonight should show the Government of Canada the inequity of bringing in a tax on all goods and services at the end of next year. While Canadians understand it, I do not think they fully realize now that at the end of next year the Government of Canada will bring in a tax that is going to mean increases in sales taxes anywhere from 9 per cent to 12 per cent in Canada.

Just imagine, the new tax being brought in at the end of next year will mean that when we go to buy something at the retailer we will be hit with a new tax. We will have to pay anywhere from 9 per cent on the item we are buying or the service we are receiving, to close to 12 per cent, depending on where we live in Canada.

For those who live in the Province of Alberta, it will mean a 9 per cent increase on taxes, but for those who live in Ontario it will mean much more than 9 per cent.

Mr. McDermid: Why?

Mr. Baker: The Hon. Minister is asking why. I will get to that.

For those who live in Quebec, it will mean more than 9 per cent and for those who are unfortunate enough to be buying something in the Province of Nova Scotia, Prince Edward Island, New Brunswick or Newfoundland, they will be really hit. Under this Bill we are passing tonight the Government is increasing the taxes on all long distance telephone charges. Let us examine the long distance telephone bill, as every Canadian has done since the Government took office.

• (2210)

Since last year it brought in a new telecommunications tax, or was it the June before last? It was either last June or the June before. That new tax that was brought in was for 10 per cent. When Canadians look at their last month's long distance telephone bills—they can pick them up this evening and look at them—if the long distance telephone charges are $100 for the month and they live in rural Canada, they can almost count on a pretty hefty long distance telephone bill. This is because they are not living in a metropolitan area where there are millions of people. They are calling just a short distance away and they are calling long distance, usually.

If it were $100, say, this new Tory Government would impose a tax of 10 per cent on long distance telephone calls, but that would go on after the long distance telephone charge. In other words, if it were $100, the telephone company would add on 10 per cent, which would make it $110. Then on top of that it would add on the provincial sales tax.

Mr. McDermid: The provinces did that.

Mr. Baker: This means that everybody outside a province with no sales tax was paying double taxes.

What would that mean if you had relatives in the Province of Alberta? I will tell you what it means, Mr. Speaker, because you are very well acquainted with the Province of Alberta. If you are calling Alberta from the Province of Newfoundland and you have $100 to spend on long distance telephone calls, for goodness sakes get your relative in Alberta to phone you because you will get at least another 15 minutes out of your $100. The reason for that is quite simple: when you call from Alberta, you only have 10 per cent added on to your telephone bill. Therefore it costs $110.

If your call originated from the Province of Ontario to Alberta, then you can add on another 8 per cent, which means not just 9 plus 8 to make 17, but because there is a tax on top of a tax, it means that you are adding on another $10 to your $100 charge.

Let us look at the Province of Newfoundland. You have again your $100 plus your 10 per cent federal tax. Then you add on top of that 12 per cent Newfoundland tax, and you are up to 24 per cent tax on your $100 of long distance telephone calls. By straight arithmetic, you can save $13.34 if your call originated from the Province of Alberta to Newfoundland.

An Hon. Member: What if you reverse the charges?

Mr. Baker: You could save $10 if your call originated from Alberta into the Province of Ontario, and you could save $12 on the $100 if your call originated from Alberta instead of Nova Scotia, Prince Edward Island, or the Province of New Brunswick. That is because there is, of course, no provincial sales tax in the Province of Alberta on long distance telephone calls.

When the Government of Canada says that it is to bring in a 9 per cent sales tax at the end of net year on everything you can think of, it is not 9 per cent. It is 9 per cent in the Province of Alberta, yes, but it is more than 9 per cent in Ontario. It is more than that again if you are in New Brunswick. It is more than that again if you are in Newfoundland.

What is the total effect of that? Under this present Bill, they are increasing the taxes on long distance telephone calls. It means a 1 per cent increase in this Bill. It means that the people in Canada are actually paying in excess of that 1 per cent. That is what is wrong with having a federal tax that applies to all goods and services.

With long distance telephone calls, if you are watching every dollar and you know you can save $13 on every $100 if your call originates from Alberta and not the Province of Newfoundland, that you can save $11.58 if your call originates from Alberta and not Nova Scotia, or you can save $9.98 on $100 if your call originates from Alberta and not Ontario, it would be great if you could figure out a way of getting around the new sales tax so that you could use a reversal like that and the tax would be fair right across Canada. If all your long distance telephone calls originated in the Province of Alberta, then all Canadians would pay an equal tax.

The Hon. Minister said to me a few minutes ago that the provinces were to blame here, that they had a tax on. Everybody knows provincial Governments have varying amounts of sales taxes in effect in their provinces. That is why the federal Government is dealing a grave injustice to Canadians when it comes along and says: "What we did on your long distance telephone calls last year we are now going to do on every single good and service there is in Canada; we are going to add on 9 per cent." Some 9 plus 12 in Newfoundland you would think was 21, but it is 24; 9 plus 11 in New Brunswick is not 20 but is over 21.

On top of that, as if that were not bad enough, if that was not unequal enough, what do we have? Somebody says: "Oh, that is a provincial tax on top of a federal tax." The ordinary Canadian who is watching his dollar, the senior citizen who wants to make long distance telephone calls to his or her grandchildren in western Canada, eastern Canada or up north do not askwhether this a federal tax, a provincial tax or a municipal tax. They just look at it and say: "I have lost $13 out of $100 because my call originated in one province and not another one."

The grave injustice of the system is not knowing that you can actually get around that tax if you originate your calls from the province that has the lowest sales tax. That injustice will now apply to everything you buy.

When you walk into the store on January 1, 1991, you will pay over 20 per cent retail sales tax on every good and service in all of the Atlantic provinces—over 20 per cent. If you are buying a stove or a fridge, imagine the tax you will be paying, but if you pay tax in a province with no provincial sales tax, you do not pay the double taxation that you pay in other provinces.

On top of all of that, the Government of Canada says: "Well, now to soften the burden, we are going to give all Canadians in advance a rebate."

• (2220)

We are going to give Canadians, and I am talking about ordinary Canadians now which is the vast majority, an advance rebate. On what, Mr. Speaker? On the tax that the Government of Canada says they will be paying.

What is being taxed, Mr. Speaker? If you buy an article that is manufactured in one province, every time that it changes hands the tax is put on and then rebated, put on and then rebated. The higher the cost becomes as it goes along, the tax is put on and rebated, put on and rebated, until it gets to the end of the line. They will now pay tax on the transportation of that good. They will pay tax on everything all along the line.

One would suspect that the rebate to the Canadian who lives in Newfoundland or British Columbia, if the good is made in central Canada, would get a higher rebate than someone who lives in the town in which it was manufactured, but oh, no, Mr. Speaker, the rebates are all the same. Consider the logic of saying that we are going to tax everything, every good and every service,

your hair cut and everything, but we are going to turn around and give you a rebate.

Canadians who can just barely make ends meet now are wondering how they are going to be able to pay all of that money and live between the rebates. It is fine to say that we are going to do this or that with the taxation system and pay someone a lump sum at a certain point in the year, but how do you live between those rebates? How do you even it out so that the rebates are fair. How do you rationalize that people pay an amount of money equal to whichever province they live in? Just imagine a system of taxation which requires that if you live in certain provinces you pay a higher tax than if you live in another province.

The Government has also announced that it is going to take a crack at relieving the unemployment situation in Canada today. I suppose you heard that announcement, Mr. Speaker. The Government is going to hire thousands of people to collect all of these new taxes. How many are they going to hire? Is it 5,000 or 10,000 people? Imagine, the Government is going to hire a minimum of 5,000 people just to collect taxes, just to make sure that you pay that tax on everything you pay for.

To put it mildly, Mr. Speaker, the Bill before us today and the new system of taxation which the Government wants to bring in are very unfair and unequal. As a result of this Bill telephone charges are going to go up and a telecommunications tax is going to go on.

There is a commercial about telephones saying to reach out and touch someone. The Minister of Finance is reaching out all right; he has got his hand in everyone's pocket. The Bill before us today should be defeated by the House of Commons. The new sales tax that comes in at the end of next year is going to mean the defeat of the Government.

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, I would be happy to advise the Hon. Minister of ways in which to abolish it.

Mr. McDermid: Good, that's what I want to hear.

Mr. Benjamin: Well, if you had been listening all these years you would not need to be told again.

First I want to apologize to the Hon. Member for Gloucester (Mr. Young). I misunderstood the remark he made about signs, but that was as much his fault as it was mine. I hope he will check the "blues" to make sure it reads the way he meant it. I did misunderstand him and I apologize for that.

My hon. friend, the Hon. Member for Gander—Grand Falls (Mr. Baker), just mentioned something about double taxation. He did not steal my line, but great minds think alike and we ain't foolish about this one. It used to be against the law to have double taxation. In fact, any Government at any level that tried that in this country would be thrown out of court the next day.

We have a tax on a tax. I am a little confused now as to whether the provinces will be taking a tax on the tax, whether the federals will be taking a tax on the tax, or whether they will both be taking a tax on the tax. We need some clarification from the Minister of Finance (Mr. Wilson) on which is which, what is what.

We have been victimized by federal and provincial sales taxes for many years, including by NDP provincial Governments. When it gets to a point that they put a tax on hair cuts, I feel sorry for the Hon. Minister who is just leaving because he has the same kind of hairdo as I have and there is no way we can get $8 worth from a hair cut. With the tax added on top of that it gets to be a little unfair to those of us who are not as endowed as many people who are older than us.

I want to refer to something I said last year in the budget debate.

Mr. Friesen: Can you remember it?

Mr. Benjamin: Yes, I make the same speech every year and it applies.

Mr. Friesen: Why do you think I don't listen any more?

Mr. Benjamin: John Diefenbaker appointed a royal commissioner on taxation, a fellow by the name of Kenneth Carter, who spent nearly five years going through the entire tax system. He produced the Carter royal commission report of some three volumes, plus all the research papers and everything else. I only waded through the meatier parts.

It is obvious again, for the umpteenth time, what any Government of any political stripe need do. I am not saying that Carter was 100 per cent right, but he was mostly right in terms of the principles of a fair tax system. A buck is a buck no matter how you got it. Whether you earned it or not, if it is income it is taxable,

period. He showed how you could lower the effective tax rate to 15 per cent, and not more than 20 per cent for any individual taxpayer or any corporation, and collect more money than the national Government is getting now or ever has since he came out with the report in 1965.

Mr. Carter died of cancer in 1966. He was so fed up waiting for the Government to act on his report that he started to go public. He was something like Emmett Hall with his royal commission reports on health care and a few other things. It is not often a royal commissioner will go public.

• (2230)

Kenneth Carter started to do so and he died unfortunately much too early. He pointed out then, and it is still valid today, that a fair tax system is based on the ability to pay. That has to be the income tax system. Whether it is individual or corporate is immaterial. It is based on ability to pay. It is based on what is the income.

When he first advocated doing away with all exemptions, there was a hue and cry from the economists, the financial experts, the business communities, the boards of trade, the chambers of commerce, and the manufacturers' associations. Of course, the ordinary citizen said to himself: "Gee, whiz, if I lose my exemption, what am I going to get?"

Mr. Carter pointed out: "You get your tax credits, and whether you make $20,000 or $120,000 a year, the tax credit is the same for each one." It seemed to make eminently good sense to a lot of people.

Walter Gordon tried some halfhearted steps at implementing Carter and so did Allan MacEachen. Even the present Minister of Finance made a halfhearted step last year about non-refundable tax credits. At first blush, people thought that they would not get anything for their charitable donations. By golly, it ended up that they got as much or more with the tax credit. I thought to myself: "Gee, maybe there is some hope. Maybe they are going to start to implement Carter." I should live so long.

Unless and until that kind of a principle is implemented by any Government of any political stripe, we are not going to have a fair tax system. It means throwing out all the conventional wisdom, the shibboleths of going back to the 1890s of the tax system in this country. Of course we have to do what we can to get rid of or substantially reduce the deficit and the national debt. There is no argument about that.

The argument is about how we go about doing it, who are we going to collect it from, and how are we going to collect it? Economists, financial experts of all political stripes, and other people of all Parties have agreed for many years that a sales tax and excise tax are the most regressive and that the income tax system is the most fair. Why do then Governments continue to rely so much more, time after time, on more and more sales and excise taxes when they know themselves before they do it that it is a regressive tax.

There has been some mythology peddled that the federal sales tax does not show up on an invoice. The last three times I bought a car, which is over the last 15 years, the invoice I got from my car dealer showed the price of the car, all the options, the provincial sales tax, and the federal sales tax right beside the basic price of the car. I always knew what the federal sales tax was on the car. There is nothing new about that. The Minister of Finance tries to hoodwink us into saying that it is a hidden tax. Reputable manufacturers always showed it as a separate item.

I am not sure about the manufacturers from outside Canada but inside Canada it was the same on any durable goods which I bought. I bought a General Electric stove. I bought a fridge. I knew what the federal sales tax was on it. I admit I have not bought one for about eight years, but the federal sales tax was shown on the invoice at the retail level.

Let us not try to hoodwink people into thinking that all of a sudden the federal sales tax or the federal excise tax was a hidden tax. It was only hidden if the person collecting the tax chose to hide it. In my experience, in most instances, it was not hidden.

An Hon. Member: Even on the gas pump.

Mr. Benjamin: That is one place it is hidden.

An Hon. Member: No.

Mr. Benjamin: It depends on where you are. At least 90 per cent of our debt and our deficit is money which Canadians owe to themselves. Much fuss is made about the present national debt; $8,0000 for every man, woman and child. The day you are born, you owe $8,000. I am

relying on 1987 or 1988 dollars. It is probably more than that in 1989. That is a large, daunting figure.

In 1985, the national debt of Pakistan, India and Zimbabwe was $200 Canadian per capita. To follow this argument to its conclusion, just imagine, they were 40 times better off than we are. Their national debt per Gross National Product per capita was $200 a head for every man, woman, and child.

I just wanted to reverse the argument. Maybe Canada should be applying to those three countries for some kind of foreign aid, some way to cancel our bank loans, our savings bonds, our guaranteed investment certificates, our term deposits, or reduce those since 90 per cent of our debt and our deficit we owe to ourselves.

The truth is that the national debt is not a heavy burden which we are passing on to future generations. Posterity will indeed inherit the obligation to make huge interest payments on the national debt. However, that same posterity will inherit all the bonds and investments which 90 per cent of our debt is presently based on, namely, by Canadians.

There is an expression that I said earlier in this Parliament, which I am going to repeat: "Economists are like theologians. Every religion other than their own is the invention of man, whereas their own is an emanation from God." The economics we have been getting from the Minister of Finance is of course an emanation from God. Anything else that anybody else comes up with is an invention of man.

In the past half century, there have been at least two other periods when the Canadian Government incurred budget deficits comparable to the ones we have had in the 1980s.

From 1930 to 1935, during the Dirty Thirties, the debts averaged 3.2 per cent of the country's Gross National Product. It was therefore equivalent to a contemporary annual deficit of $15 billion, that is in 1987 dollars.

Now apart from there being any inflation in those years, there actually was deflation. The Consumer Price Index fell by 19 per cent. Interest rates rose to an horrendous 3 per cent to 4 per cent. From 1932 to 1935, the deficit was equivalent to $15 billion in 1987 dollars. During the war years, which was the first example I wanted to mention, 1942 to 1945, and that is only four years, the average federal deficit was 21 per cent of the Gross National Product. It went up from 15 per cent to 21 per cent of the Gross National Product. This is equivalent to a deficit two years ago of $100 billion. The Consumer Price Index meanwhile rose by less than 2 per cent a year while interest rates stayed under 4 per cent.

• (2240)

The federal deficit in 1985 was three times what it was in 1981. The inflation rate instead of going up went down and the Minister of Finance (Mr. Wilson) has never explained that to us. His theory and the theory of the head of the Bank of Canada is that unless you raise interest rates inflation will go up. But from 1981 to 1985 it went down. If you remember 1981–82 in comparison to 1985–86, interest rates went down and inflation went down. I do not understand this. I am just an innocent country boy.

The Minister of Finance keeps telling us that you have to raise interest rates in order to fight inflation, but the evidence is in the book. It is there. Higher interest rates bring on inflation. Higher interest rates means that the cost of everything goes up for every man, woman and child in this country and it goes up for every level of government. The Minister of Finance is a victim of his own stupidity. He has given incompetence a good name.

You cannot keep doing it the way we have been doing it. The solution is you have to borrow more money and invest it in this country and challenge the Canadian population as was done during the war. Put people to work building houses and working on reforestation. You can put a quarter of a million people to work over the next 10 years cleaning up our air and water. That is not a deficit, that is not a cost, that is an investment. The return on that investment means that when you reduce unemployment from 9 per cent to 5 per cent, you have recovered $8 billion a year in new increased tax revenue from individuals and corporations. Why not do it that way? We can do it in war time with a declaration of war, which is a matter of destruction. Why not do the same thing with a declaration of peace, which is a matter of construction? Why do we not do exactly the same thing for a much more worth-while purpose and a much more worth-while endeavour that puts Canada's financial position in a much better position that it is now, puts this

country to work and reduces the deficit and the national debt.

The democratic socialists are the only ones who have been proposing this solution. In fact, we applauded the Finance Ministers in the days of Mackenzie King, St. Laurent and Pearson for doing that very same thing and I have not heard a single Liberal since proposing it, not a single one of them.

All the Tories could say was: "Do you think that money grows on gooseberry bushes"? The war was declared at the end of the Dirty Thirties. That was when we were asked: "Do you think that money grows on gooseberry bushes?" By golly, they found the bush. There was lots of money. So, Mr. Speaker, as your innocent stubble-jumping prairie boy, why don't we try what I just said?

Ms. Clancy: Mr. Speaker, I rise on a point of order. As a new Member, I have to register my absolute shock and horror. Here tonight we have been debating a crucial money Bill and as is well known by all Members of this House, it is a constitutional fixture that members of the Cabinet are responsible and accountable to this House.

I want to make it very clear that I am most distressed that there is no member of the Cabinet in this House during this crucial debate. It is astounding.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, I am glad my colleague has raised that point of order because it is a tradition of this House when important Bills, such as money Bills are being debated that not only should one Minister be in the House but three should be here. Tonight not one Minister is here. Not only are we debating Bill C-20 but we are debating a closure motion. This Government is denying Members here the very rights of the constituents who put us here.

An Hon. Member: Here is one cabinet Minister.

Mr. Flis: Here is the Government making a mockery of the free election process and of the British parliamentary system in denying the very rights and freedoms that we entrenched in the Constitution of Canada.

Canadians will remember this and I think the polls are already reflecting the situation.

Let us look at the legislation before us, Mr. Speaker. As the explanatory note for Bill C-20 says:

> Part 1 would implement the Ways and Means Motion to Amend the Excise Tax Act (hereinafter called the "Excise Tax Motion"), notice of which was tabled in the House of Commons by the Minister of Finance on April 27, 1989.

I will not bore Members with all the clauses, but I do want to draw attention to Clause 3(1) which reads:

> —the said Acts are repealed and the following substituted therefor:
>
> "(a) in the case of wines, and goods on which a duty of excise is imposed under the *Excise Act* or would be if the goods were produced or manufactured in Canada, at the rate of nineteen per cent;—

Here is a Government—I do not know where else Canadian wines would be produced if not in Canada—that has pretty well wiped out a wine industry. How many other industries will it wipe out?

I cannot complain about the intentions with which the Budget was originally presented. I will not go into the way in which it was presented. We are all aware by now that the language we hear from the other side of the House is that of doublespeak and is not to be believed at all. The latest example isthe description of the new progressive and open national sales tax that will hit this country like a time bomb. The tax will be hidden and we can all expect that the 9 per cent of today will soon merely be a fond memory of yesteryear.

Very few people will dispute the fact that the deficit has to be tackled. Even fewer will dispute the fact that the debt has to be tackled. But no one will agree that the deficit or the debt should be tackled at the expense of the average Canadian in the form of unreasonable income tax hikes, cut-backs, safety nets and a national sales tax that will be hidden.

This morning I met a constituent at the opening of the expressway. I compliment the Metro Toronto Government on a project called the beautification of the Gardiner Expressway. People from all over the world come to Toronto and get an impression of it. When they are driving on the expressway they saw that the sides were completely littered with bottles and everything else. Now the corporations and boroughs have all planted beautiful shrubs and flowers. People who are bidding for conventions in Toronto now get the right impression of the city. At this function I met a constitu-

ent and others who were complaining about hidden taxes. They said: "Be honest. Put it out in the open. If I have to pay this much, I will pay it, but do not hide the sales tax".

Another constituent of mine came to see me a month ago wanting advice about a job she was being offered. She was a single mother with two children aged four and six. She was on social assistance. Her problem was that were she to take a job, after paying child care costs as there were no subsidized spaces available and after paying transportation costs, she would net only $9 more a month. However, this was an opportunity of a lifetime, an opportunity to get out of a social and moral rut, so I encouraged her to take the job.

• (2250)

Now I will have to tell this woman that because of the financial bungling of the Government, she will pay more taxes and will be bringing in even less than she would have brought in had she remained on welfare. I will also have to tell her that there will not be any more child care spaces available because of a lack of commitment on the part of the Government to the women and children of Canada.

Some Canadians are carrying as much as 71 per cent of the financial burden created by the Government. This is after all the assurances of the Minister of Finance that by the end of the Government's first term, Canadians would be responsible for a maximum of 25 per cent of the debt load. Since 1984, individuals and families have paid $29 billion more in taxes. This Budget will dramatically increase that number.

A report from the Canadian Council of Social Development shows that the working poor with an annual household income of $24,000 paid 44 per cent more taxes between 1984 and 1988. Upper income earners with an annual income of $122,000 actually paid 6 per cent less in the same time frame. Under this Budget, a person working for a minimum wage will pay $137 more in taxes. A middle-income family making $50,000 will pay $645 more. These are figures that do not take into account the new national sales tax, upwards of 9 per cent. Therefore, the low and middle-income earners will once again be paying more for less.

There is no guarantee any longer that additional child care spaces will be available. The people will be paying more taxes for the loss of a $4-billion child care program promised during the last election campaign, more taxes for cut-backs in transfer payments to the provinces that will affect post-secondary education and medicare, more taxes to support cut-backs to regional development, abandoning the Atlantic and the other regions, more taxes for a total pull-out by the Government from the UI program for decreasing benefits and increasing qualifying periods, more taxes to support the closure of military bases that will devastate local economies in some of the more fragile communities. This is what all the additional taxes the Government will collect off the backs of low and middle-income earners will support, yet the cloud of an economic recession hangs dark and low over our country.

Every day we hear reports that support our position that rising interest rates coupled with higher taxes will lead to a recession. The Conference Board of Canada warned that jobs losses and higher taxes will reduce personal disposable income by $5 billion next year, in large part due to the $2.2 billion that will be collected in additional taxes.

In the words of Mr. Frank, the chief economist, the economy is already on the skids and yet the Government continues to sit back and let Crow get on with the show, a show that will begin when thousands more Canadians lose their jobs.

There is something I think should be very clear each time we refer to the time frame the Government has been in power. It is a misconception to continue to refer only to the last four years because that gives the Government too much credit for being able to cause the amount of damage it has been able to cause over four years in office. The damage it has caused has been over five years and is continuing well into its second term.

When we blame the last Government for the problems we are facing today, we should remember that the last Government was the same Government as today. The honeymoon is over for the Government. It can no longer blame previous Liberal Governments because the previous Government was a Tory Government.

In 1982-83 when the Liberals were in power, there was a global recession and we pulled through the recession better than most OECD countries. Between 1984 and 1988, like other countries, we had four good years of economic boom and in those same four years, the Government managed to accumulate 45 per cent of the current public debt. In September, 1984, the debt stood at $177 billion versus today, $321.2 billion. That is an 81.5

per cent increase in a four-year period that was considered to be good times.

What happened? How did government Members do it? When the times were good, they spent more. They got caught up in their own rhetoric of being the direct cause of the good times. They got caught up in patting themselves on the back for the jobs created because of good times. What else did they do? They sure as hell did not make their rich friends pay more for record profits. No, in fact, they gave away the store. They gave it all away.

Every time there was a profitable corporation which had been built with taxpayers' money so that each and every one of us owned a piece of it, without fail the Government sold it. For what? Crown corporations are accountable to the taxpayers who own them. Why wait until we see some activity and then sell?

Mr. Dionne: If they are in power for much longer, there won't be much left to see.

Mr. Flis: I am glad that my hon. friend from the Atlantic region said that. As far as I know, it does not make good, sound business sense.

An example of this is the Pearson International Airport. Despite the horror stories about the safety elements of the airport, which I may add are in large part due to the Government's deregulation philosophy and its bungling, the Pearson Airport, in terms of profit, is a success. Now a third terminal is being added to the airport and it is being handled by the private sector. Why? Because it is a profit-making project so naturally government Members give it to the private sector instead of bringing those revenues in and keeping the taxes down. Is this because the Government feels that it owes something to its business friends so that in the next election, it may go on the same kind of questionable propaganda spree it went on during the last election campaign? I think the answer is obvious.

Then we have our infamous Canada Post. It made record profits at the expense of the Canadian public. I would have been very concerned if, considering the cut-backs in service and the rise in postage rates, Canada Post had not shown some profit. However, that is not the priority of our essential services. Quality service and a reasonable rate should be.

Tomorrow I will be tabling petitions in the House from constituents of mine who had been serviced by Postal Station V in Toronto. The Government decided to give Postal Station V over to a corner drug store. The corner drug store went bankrupt and so did the postal service so it went back to the post office. The people were happy. They could register their letters and pick up parcels. What happened then? Without any notice from the Minister or from anyone, we see that there is a for rent sign in the post office window. People are up in arms because again because for the second time, they are losing their postal service. Elderly people in their 80s and 90s will have to go three, four or five miles to post registered letters or pick up parcels. Yet Canada Post prides itself that its main goal is to increase service. That is what it calls efficiency in management.

Government Members sit there and gloat about big profits, not caring about seniors losing the service right under their noses.

Mr. Milliken: They don't give two hoots about it.

Mr. Flis: Exactly. Four years of good times, and in those four years, what else did we see from the Government? The Government did not give Canadians a tax break but increased taxes.

Now what do we see in Bill C-20 and in the Budget? We see the Tory philosophy at work again. Middle and low-income earners will continue to carry the largest burden of the taxes, whether the times are good or whether the times are bad.

The Tory philosophy knows no bounds. In fact, it knows no boundaries. It carries over the oceans into the countries that most need our help. At a time when the world is strife with wars and poverty and literally millions of children are starving, the Government is taking the food right out of their mouths.

In 1984, when the Government first came to power, it promised to commit .5 per cent of GNP to foreign aid and development for 1985. However, the percentage of aid actually dropped and did not reach the target of 1986-87. It also promised that by 1995 foreign aid would receive 0.7 per cent of GNP. Again, it reneged on its promises. In the report entitled: "Sharing Our Future" which was released in 1987, the Government pushed

back the date for the realization of this target to the year 2000. This time it has cut its commitment once again. It announced a $1.8 billion reduction in foreign expenditures over the next five years. This includes a $400 million cut from 1989–90.

• (2300)

It does not take an economist or a university professor to see the link between poverty, suffering, and conflict. There are countries that are being pushed so hard to pay back their loans or to fight for the very land that provides their sustenance that they have to literally trade the food they grow for arms so that they can trade the arms for money or use the arms to protect the land to grow their food.

Instead of making it easier for those countries by continuing support in foreign aid so that they can make the structural adjustments necessary to get their economies back on track, we cut back and say: "When times are better, we will give you more". Try to tell the mother of a starving child that today her child will not eat, or the child will probably not eat tomorrow. We cannot guarantee that that child will ever have any food in his or her mouth.

The world is getting smaller because of the information age that we as western nations have led the world into. There is no going back to living as a country in isolation. We cannot ignore what is going on around us. We cannot continue to pretend that what goes on does not affect us. It does. It affects us every time we turn on the radio or the television.

This Government has proven time and time again that it cannot be trusted. It has not once lived up to its pre-election, election, or post-election promises. The Government has been indulging in double-speak; it states one thing and does something directly opposite. The latest opinion polls dropping the Tories to their lowest level since the November, 1988 election are giving the Government a clear message: be open in the information to Canadians. They will not accept the Government's hidden agendas. Be above board, forget the hidden taxes, forget the hidden agendas but, above all, to have the trust of Canadians the Government must learn the golden rule that we all learned in elementary school that honesty is the best policy.

Excise Tax Act

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, in commenting on Bill C–20, I want to take us back to the Budget of which Bill C–20 is a very small portion, although it is as bad as other portions in this very unsavoury Conservative Budget. I also want to look beyond the Budget to the pre-election period and the promises the Conservatives made to Canadians, and why they made those promises in the context of the Canada–U.S. trade deal.

It is important to look at these Budget measures from the point of view of people such as those in my constituency of Vancouver East. Those people are struggling hard to raise their families or to find a job, many of them being unemployed, and they certainly do not represent the wealthy and powerful people of this country.

I also want to point out how the Tory Budget impacts on all regions of Canada. I want to summarize how the Budget hurts families, and how it is drastically cutting services which are needed and expected and are the right of families and individuals across Canada. These services are a federal responsibility. I also want to discuss what the impact will be on affordable housing. I also wish to discuss the measures that are hitting workers particularly hard by cutting back on unemployment insurance benefits that are attacked in the Budget.

It is important to see Bill C–20 in the context of the Budget. It is the worst Budget that we have ever had in the history of Canada. Let us set the stage first by recalling the promises that were made by the Government as it attempted to woo the voters of Canada to re-elect it. They were false promises which we now have evidence of as we look at the promises that were broken and have been proven in the Budget. Remember the promises, Mr. Speaker?

There was the promise that our programs and services were a sacred trust, and universality is sacrosanct, the Prime Minister (Mr. Mulroney) said. Of course, he has proceeded to undermine universal family allowances and old age pensions. He stated that the trade deal would not cost jobs. In fact, thousands of jobs would be created. As the Minister of Trade has been questioned in the House we have heard over and over again that the Minister cannot come up with any evidence of all the jobs that have been created that can be attributable to the trade deal. In fact, many people have lost jobs. In my riding of

Vancouver East, there is lots of evidence of that. He also said: "Don't worry, folks. Don't worry, Canadians. We won't lose control over our resources. Don't worry about the fish processing industry. We are going to save it, just vote for us, and all will be well". In British Columbia we stand to lose close to 6,000 jobs in the fish processing industry, and many of those jobs are in my riding of Vancouver East.

Again and again the Prime Minister assured us that the trade deal would not affect unemployment insurance or regional development. He then had the blatant hide to immediately bring in a Budget, under the sponsorship of the Minister of Finance (Mr. Wilson), which attacked both those programs quite drastically.

Remember how the Tories promised tax reform? They said that their tax reforms would tax the wealthy and help average families. We know now that the reverse is true. More than 60,000 profitable corporations still are tax-free while hidden sales tax will be imposed on unsuspecting consumers. Of course, they are the kind of taxes that are regressive and hit poor people with the same amount of taxation as wealthier people.

These are typical Tory broken promises, and let us not forget that. I hope the voters of Canada and the taxpayers of Canada will not forget it. Those voters believed the Prime Minister and were willing to trust him. They voted for him and they have been betrayed. Every one of those promises has been broken.

The policies that led to the drastic cuts that are evident in the Tory Budget are policies that fit perfectly with the American agenda that was part of the Canada-U.S. trade deal. It is easy to see that now. U.S. businesses stated that we had to establish a level playing field; that we could not have social programs that were far more generous and provided far more security for Canadians than those in the United States. The Americans said that we had to limit unemployment insurance because it was an unfair subsidy, and that we should not protect disadvantaged regions. The business community in the United States has been stating this for years, and the Minister should know only too well that this was the agenda in the trade deal. We should not protect Canadian industries and resources. These are the people who won. The Canadians lost and the Tories' drastic Budget that we are debating tonight, which includes Bill C-20, is proof of that.

The Conservative Budget includes pretty drastic tax measures. The sales and excise taxes in Bill C-20 are only part of these regressive and punitive measures. The tax measures in the Budget will add another $710 to the annual tax burden of the average family in my riding of Vancouver East. There will be another $1,000 added when the goods and services tax is imposed in 1991. That is the hidden sales tax that the Minister states is not hidden.

• (2310)

An average family of four in Vancouver East, an ordinary working family whose parents go out to work, a family struggling with two children, will face the following annual tax increases. At the same time they will be denied affordable child care spaces because the Government has not fulfilled its obligations in that field. They will face a sales tax increase of 1.5 per cent which will add about $273 per year. They will see unemployment insurance premiums increased by 15 per cent which will add $130 per year. There will be a gas tax increase which will add $120 per year. There will be an increase on taxes for cigarettes and alcohol which will result in $100 per year. The federal surtax increase from 3 per cent to 5 per cent will add $120 per year. The new goods and services tax will add another $1,000 per year for a total per year of $1,710 when all these measures come into effect.

How will the Bill we are debating tonight hit Canadian taxpayers? It increases a number of sales taxes which are the most regressive way of getting money from Canadians. Bill C-20 imposes taxes that will affect every taxpayer in Canada. There will be a tax on long distance calls. The telecommunications service tax will be increased to 11 per cent. The sales tax on construction materials will be increased to 9 per cent. There will be a sales tax increase to 19 per cent on the price of wines. There will be sales tax increases up to 1.5 per cent on gas and diesel fuel. Taxes on tobacco, cigarettes and snuff will be increased again. This is at the same time that the Government refuses to introduce the anti-smoking Bill which the Members of my Party fought so hard for in the last session of Parliament. It was passed by the House of Commons and the Senate. Yet the Government has refused to implement it in the interests of the health of Canadians.

Sales tax on laundry detergent will be increased under this Bill. I do not know what the Government has against cleanliness.

This Budget not only hurts Canadians by hiking taxes and using regressive sales tax measures but it also hits them at the same time by cutting back on funds for services. These are needed services, ones which are expected and should be the right of Canadians.

Funds for social services will be cut. Child care services which were promised will not be funded. Citizenship programs will be cut back. Pensions will be taxed back from higher income people. Health and welfare payments will be affected, as will education payments, unemployment insurance, housing, environmental programs, foreign aid and social housing programs.

I would like to give a few more details on these. The Budget will slash essential services that are within federal jurisdiction. It is ironic to think that the Tory Government squandered quite a few dollars to whip up hysteria about the deficit, and then expects the citizens will foot the bill for deficit reduction. The Tories refused to attack the root causes of the high deficit. We are concerned about this as well. However, we are concerned about unemployment, high interest rates and the failure of corporations to pay their fair share of taxes. These should be the measures on which the Government is working.

The national child care program has been abandoned. Family allowances and old age security programs are no longer available. Those with incomes over $50,000 will have their benefits taxed back under those programs. This means that as years go by the threshold will be lowered and universal programs will be eroded continuously. Secretary of State programs which funded advocacy groups for women, for natives and for visible minorities will be slashed by $16 million over the next two years. This means advocacy groups for people who do not have power in our society will be cut by 15 per cent over the next three years. This is an erosion of democracy.

Transfer payments to the provinces for health care and post-secondary education have been cut by 1 per cent. There were native students who protested here on the Hill. They, above all others, surely deserve open access to education, not only for themselves but for the future of their people. We know that they are seriously concerned and have the right to be concerned about this.

Some $400 million will be cut from regional development grants next year. I do not blame the regions, particularly disadvantaged ones, for feeling very strongly about this. However, I do blame them for voting Liberal. They could have chosen New Democrats. Perhaps that will happen the next time around.

Ms. McLaughlin: They did in the Yukon.

Ms. Mitchell: That is right, they did in the Yukon.

The Government talks about environment being a top priority. What did it do in the Budget for the environment? Some $10 million will be cut from environmental programs by phasing out the national conservation and alternative energy initiative in closing the 12 regional conservation and renewable energy offices. That is a great way to expand environmental protection services.

Canadians take pride in the fact that we want to go beyond our borders to assist countries around the world, particularly developing ones. I note that the Minister responsible for aid is here in the House tonight. She should be ashamed that Canada's foreign aid effort will be cut by $400 million to $2.4 billion as a result of this Budget.

Affordable housing is also being severely cut. People in my riding in Vancouver East and in Vancouver generally are extremely concerned about this. There is practically no allowance of units for co-op housing to address a very large need this year. There are thousands of people on the waiting list with only a few hundred spaces in Vancouver. It is the same across the country in the major cities where there are severe housing crises.

RRAP programs have been cut completely. Of all the federal programs, RRAP progams were very practical. They were labour intensive. They restored the housing stock. Yet this is one of the programs being cut. Some $55 million will be taken out of RRAP programs.

The Government promised 5,000 co-op housing starts per year. However, this year's level may go below 2,500.

In the face of a national housing crisis, the Tory Government will build fewer affordable housing units and will terminate a program to prevent existing units

from deterioration. It is incredible but oh so typical of the Conservative Government once it is in power.

What is the federal Government going to do with unemployment insurance, something which workers in the country have fought for for years and which is paid for by the employees and the employers? It will be charging more. The workers will pay 15 per cent more in premiums. The benefits will be harder to get and will not last as long. Unemployment premiums will increase to $2.25 from $1.95 per $100 earned. The Government of the Prime Minister (Mr. Mulroney) will withdraw entirely from the program to save $2.9 billion. That will destroy the whole purpose of the unemployment insurance program. This program has proven over and over again that it is a very important safety net. We are glad that it now includes some parental benefits and the coverage for workers in seasonal jobs. It is important that the federal Government subsidize those extra benefits, as needed.

• (2320)

Nearly one million Canadians will be partly or completely denied benefits under the new scheme. The rationale of the Government is that this will induce attitudinal and behaviour changes in the unemployed. That is ironic. I am sure the unemployed workers in Vancouver East would not feel this is an incentive when there are no jobs for them in many cases.

In passing, I want to mention the sell-out of the B.C. fish processing industry. That is another burden.

I could go on to refer to many other aspects of the Budget but, in summary, the Government has made many promises and could have chosen other ways to deal with the deficit, including the reduction of interest rates and a full employment program that would contribute more to the income of the country.

However, it has chosen almost every way imaginable to hurt Canadians, particularly average and low-income Canadians. Its tax measures are particularly regressive. The cuts in services are unconscionable and are definitely related to the Government's commitment to the Americans under the trade deal.

This year, 1989 is a sad time for Canadians, but it will get worse. It is a sad time for students who cannot afford post-secondary education. It is a sad time for parents who are struggling to raise a family and cannot get help with child care. It is a sad time for unemployed workers who paid into the plan and expected coverage. It is a sad time for elderly people who have contributed so much to this country and have earned their full pensions. Regardless of their income, there should be a universal old age pension.

It is a sad time for people in remote areas and in the North who are losing railway services. Fuel costs and phone costs are being increased. It is a sad time for minorities, women and native people who need a strong voice.

It is a very sad time for those Canadians who voted Conservative in the last election because they have been betrayed. Tory promises have been broken by this nefarious Budget, the worst Budget in Canadian history.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the yeas have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Call in the Members.

During the ringing of the bells

Mr. Riis: Mr. Speaker, I rise on a point of order. I seek clarification. I presume the bells are now ringing to draw Members to the House for a vote. If this is what is going on, I want to say that according to my recollection it is the first time in Canadian history that a vote has been called on a closure motion prior to the designated hour at one o'clock.

I think it proves that there was no need for the Government to introduce closure at this point, and that there are a number of time-honoured ways—

The Acting Speaker (Mr. Paproski): I cannot stop the bells now that they have begun.

Mr. Riis: I am not suggesting that you stop the bells. I do have a point of order.

The Acting Speaker (Mr. Paproski): Are you suggesting that I stop the bells?

Mr. Riis: No.

The Acting Speaker (Mr. Paproski): I have called in the Members. There is 30 minutes for the vote.

The House divided on the motion (Mr. Loiselle) which was agreed to on the following division:

• (2330)

(Division No. 56)

YEAS

Members

Anderson	Andre
Atkinson	Attewell
Belsher	Bernier
Bertrand	Bjornson
Blais	Blenkarn
Bosley	Bourgault
Boyer	Brightwell
Campbell (Vancouver Centre)	Cardiff
Casey	Chadwick
Charest	Clark (Yellowhead)
Clark (Brandon—Souris)	Clifford
Cole	Collins
Cook	Cooper
Corbeil	Côté
Couture	Crosby (Halifax West)
Darling	DeBlois
de Cotret	Desjardins
Dobbie	Domm
Duplessis	Edwards
Epp	Fee
Feltham	Ferland
Fontaine	Friesen
Gérin	Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)	Greene
Guilbault	Gustafson
Halliday	Hawkes
Hicks	Hogue
Holtmann	Horner
Horning	Hudon
Hughes	James
Jelinek	Johnson
Joncas	Kempling
Kindy	Koury
Landry	Langlois
Larrivée	Layton
Leblanc (Longueuil)	Lewis
Littlechild	Lopez
MacDonald (Rosedale)	MacDougall (Timiskaming)
Malone	Marin
Martin (Lincoln)	Mayer
Mazankowski	McDermid
McKnight	Merrithew
Mitges	Monteith
Oberle	O'Kurley
Plamondon	Plourde
Porter	Pronovost
Reid	Reimer
Richardson	Roy-Arcelin
St-Julien	Schneider
Scott (Hamilton—Wentworth)	Shields
Siddon	Sobeski
Soetens	Sparrow
Stevenson	Tardif
Tétreault	Thacker
Thompson	Tremblay (Lotbinière)
Turner (Halton—Peel)	Valcourt
Van de Walle	Vankoughnet
Venne	Vézina
Vien	Vincent
Weiner	White
Wilbee	Wilson (Swift Current—Maple Creek—
Assiniboia)	Wilson (Etobicoke Centre)
Winegard	Worthy—125

NAYS

Members

Allmand	Anawak
Angus	Bellemare
Benjamin	Blaikie
Blondin	Boudria
Caccia	Catterall
Clancy	Comuzzi
Copps	Crawford
Dionne	Finestone
Fisher	Flis
Fontana	Foster
Gaffney	Gagliano
Gauthier	Grey (Beaver River)
Hopkins	Kaplan
Keyes	Lee
MacDonald (Dartmouth)	MacLellan
Manley	Marleau
McLaughlin	Mifflin
Milliken	Mitchell
Murphy	Parker
Phinney	Pickard
Proud	Prud'homme
Rideout	Riis
Rodriguez	Rompkey
Skelly (Comox—Alberni)	Speller
Stewart	Stupich
Vanclief	Young (Gloucester)—52

The Acting Speaker (Mr. Paproski): I declare the motion carried.

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

It being 12.05 a.m. this House stands adjourned until later this day at two o'clock p.m., pursuant to Order made Tuesday, May 23, 1989.

The House adjourned at 12.05 a.m.

HOUSE OF COMMONS

Tuesday, June 27, 1989

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*English*]

DAIRY INDUSTRY

IMPACT OF NEW GOVERNMENT POLICIES

Mrs. Christine Stewart (Northumberland): Mr. Speaker, in recent meetings with dairy farmers from my riding of Northumberland, they have conveyed to me a desperation concerning their ability to survive the Government's new policies.

The recent freezing of industrial milk prices for the next 20 months, along with the budget cuts of $14 million a year from dairy spending, including the dropping of federal export subsidies and the cutting of funding for the Canadian Dairy Commission, all point to the fact that the Government is not interested in preserving the Canadian dairy industry.

Dairy farmers in my riding and across Canada want to know why they are being singled out for income freezes which will not allow their incomes to rise by as little as the rate of inflation.

I urge the Minister of Agriculture to reconsider his destructive policies which are contrary to the Government's own long-term dairy policy that included a complete commitment to supply management. The family farm dairy industry must be maintained.

* * *

DAIRY INDUSTRY

NATIONAL MILK MARKETING SYSTEM

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, the Government of British Columbia has publicly threatened to withdraw from the national milk marketing system. This has caused great concern to the province's 1,000 dairy producers, the majority of whom support the national milk marketing program.

One of the reasons for opting out is that the present distribution of the national market sharing quota or MSQ is completely unfair. British Columbia, with 12 per cent of Canada's population, has only 3.6 per cent of the national quota. Quebec, with 26 per cent of Canada's population, has 47 per cent, while Ontario and Quebec combined hold 78 per cent of the total national milk quota. This is a discriminatory allocation and must be rectified.

B.C. must stay within the national milk marketing system to protect the B.C. Dairymen's Association and to ensure the economic stability of the B.C. dairy industry. The only way to accomplish this is to adjust immediately the milk quota plan and give British Columbia its fair share.

* * *

[*Translation*]

SPORT

THE IMPORTANCE OF MAJOR JUNIOR HOCKEY

Mr. Guy St-Julien (Abitibi): Mr. Speaker, If the Québec Major Junior Hockey League is important to the central regions, it is also important to the remote regions. The Western Hockey League in Canada covers four provinces and a number of American states. The Ontario Hockey League covers a large territory.

However, in Québec the situation is different. The Québec Major Hockey League is based almost exclusively in the central regions, with the exception of Chicoutimi.

Abitibi and Témiscamingue contribute to the economy of Québec's central regions. Our ore and wood chips are processed in Montreal and Trois-Rivières.

Mr. Speaker, the Québec Government should apply the principles of Canada-Québec agreements on economic development to junior hockey and consider allow-

ing two divisions so that Québec's resource regions would be represented as well.

* * *

• (1410)

[*English*]

MULTICULTURALISM

CARRABRAM CELEBRATION IN BRAMPTON

Mr. Harry Chadwick (Brampton—Malton): Mr. Speaker, on July 7, 8, and 9 Brampton plays host to the biggest and best multicultural event in Canada.

For three days, visit the Ming dynasty court; relive the wild days of the Cossack brotherhood; shake hands with a real leprechaun, retrace the voyages of Prince Henry the navigator; dance the hula; meet the descendants of Canada's first settlers; celebrate Octoberfest early; star in a music hall variety show; view the exotic temple dances of India; do the Philippine bamboo pole dance of Tiniklang; hear the skirl of bagpipes and poetry of Robbie Burns; dance the mazurka in a Polish castle; travel with the Croatian people through 2,500 years of history; take a leisurely stroll from the Alps to the rugged terrain of Sicily; do the Zorba dance in an authentic Greek tavern; hear the old legends of the Caribbean Islands; visit the people of the desert in the Arabian pavilion which will take one back to biblical times. All this in just three days at Carabram in Brampton, Ontario.

* * *

IMMIGRATION

SELF-EXILED PERSONS

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, a Chinese citizen in Canada recently applied for refugee status and was rejected and taken to the Chinese Consulate to get his passport for the purpose of deportation to China.

If he was not a refugee before, the Canadian Government made him a refugee by reporting him to the consulate, since Canada told China that he had embarrassed the Government of China by trying to stay in Canada.

Already a Somali citizen, Abdi Aden, rejected by the refugee board and deported to Somalia, has been imprisoned because Somalia has the same sort of laws.

The Minister of Employment and Immigration (Mrs. McDougall) must take steps to avoid endangering more such innocent persons and to stop violating the United Nations law that forbids forcing a person to return to face persecution.

The Immigration Act has a remedy under the "self-exiled persons designated class", which authorizes the Government to protect citizens of the Soviet Union and five other Eastern European countries whose laws also provide punishment for embarrassing unauthorized departure or absence.

I call upon the Minister of Employment and Immigration to exercise her authority under the Immigration Act to save the liberty and life of Chinese and Somalians in Canada by adding China and Somalia to the countries on the self-exiled persons designated class list.

* * *

OCCUPATIONAL HEALTH AND SAFETY

REQUEST FOR REINSTATEMENT OF FUNDING TO CENTRE

Mr. Stan Keyes (Hamilton West): Mr. Speaker, the Canadian Centre for Occupational Health and Safety, located in the great riding of Hamilton West, is under siege by the Tory Government.

For the last decade the centre has provided Canadians with comprehensive information on occupational health and safety matters. Last year alone, the centre provided Canadians with 350,000 copies of technical publications, had 1,200 Canadian firms communicate over 40,000 times with the centre's data base, and fielded over 100 hot line calls a day.

Obviously, the Conservative Government fails to understand that the centre needs government funding, because it has decided to eliminate the centre's $10 million grant by 1991.

The Hon. Member for Lincoln (Mrs. Martin) attempts to explain it all away by stating that the funding was "seed money for the difficult start-up period". A decade of support can hardly be labelled a start-up period.

Canadians cannot afford to lose such an important resource. I call upon the Government to reinstate funding for the centre immediately.

HISTORIC EVENTS

FORTY-FIFTH ANNIVERSARY OF NORMANDY INVASION

Mr. Lee Clark (Brandon—Souris): Mr. Speaker, all Canadians have been painfully reminded these last few weeks of the fact that many citizens of the world do not enjoy the same basic democratic privileges which we often take for granted. We have also been reminded of the fact that democratic privileges must sometimes be protected from those who would destroy them by force.

Therefore, it is important to pause for a moment on this the forty-fifth anniversary of the Normandy invasion by the Allied Forces to express a few sincere words of gratitude to those Canadians who in the past were willing to fight and to die, if necessary, to ensure the survival of democracy as we have known it.

Yesterday morning I had the opportunity to speak briefly to the delegates attending the thirty-fourth biennial convention of the Manitoba and North-West Ontario Command of the Royal Canadian Legion. On behalf of my constituents, I would now like to say a sincere thank you to the entire membership of the Royal Canadian Legion and indeed to all those veterans who fought in order that we could be free.

We will always be indebted to them.

* * *

THE LATE HON. HOWARD CHARLES GREEN

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, today British Columbians and all Canadians mourn the loss of a dedicated politician and Canadian, Howard Charles Green.

Howard Green was born in British Columbia five years before the turn of the century. After attending regular school in British Columbia and graduating from law school in Toronto, he served overseas with the fifty-fourth Kootenay Battalion during the First World War.

In 1935, at the age of 40, Mr. Green was elected to the House of Commons by the people of Vancouver South. He remained an active Member of Parliament until 1963, representing Vancouver Quadra for the last 14 years. First, as Minister of Public Works in the Cabinet of another great Canadian, John Diefenbaker, and then as Secretary of State for External Affairs from June 1959 to April 1963, Howard Green took an active role in international discussions which greatly raised Canada's profile world-wide.

To the family of the late Hon. Howard Green, all in this Chamber extend our deepest sympathies.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I wish to join with my colleague across the way in paying tribute to the Late Howard Green. He was a formidable Member of Parliament. He was the first Member for the then new riding of Quadra. He held that seat for a long period of time. He was our Member of Parliament when you and I, Mr. Speaker, grew up in Vancouver.

I remember him as one who kept in touch, particularly with young people at the university when we were attending the University of British Columbia. He was also a great Member of Parliament and a first-rate Secretary of State for External Affairs under the Late John George Diefenbaker. His quest for peace and for international comity was well known to the House and the country. He will be remembered with affection and with respect by everyone in Vancouver, British Columbia, and throughout the country.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, I am saddened by the news today of the loss of a very great Canadian, the Hon. Howard Charles Green.

Howard Green was a son of British Columbia and a great Canadian. He brought with him the spirit of the West, that fighting independence that he took with him into the Conservative Party and into the Diefenbaker Cabinet.

He fought for British Columbia as strongly as he fought for all of Canada. In his role as Secretary of State for External Affairs, Howard Green carved out the last important independent stand, pro-Canadian in international affairs. He had a pan-Canadian view of this country. He loved his Province of British Columbia. We will miss him and we will remember him.

Mr. Speaker: I am asking the indulgence of the House to recognize, as would not normally be done, the Hon. Secretary of State for External Affairs on this matter.

Some Hon. Members: Agreed.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I simply wanted to add my sense of great regret at the death of Howard Green and words of appreciation for his distinguished career, a career particularly worthy of commendation for two reasons that recommend themselves to the House of Commons.

He was a pre-eminent parliamentarian, a man who understood the House of Commons, had a deep faith and commitment to it, and always conducted himself in accordance with the highest standards of this place.

On the international stage, the late Howard Green served this country with both conscience and effectiveness. He demonstrated that a country like Canada can make a difference in international affairs, and make a difference on those issues of conscience and principle which are important to all of our country.

He is very much a part of our tradition, and all of us mourn the loss of this extraordinary western Canadian and Canadian.

Mr. Speaker: I would also ask the indulgence of the House to allow the Speaker, who cannot speak, to say something on this matter.

Some Hon. Members: Agreed.

Mr. Speaker: I grew up in Vancouver Quadra. Howard Green was always our Member of Parliament. My father—this may come as a great shock to some of you—was a Liberal.

Some Hon. Members: Hear, hear!

Mr. Speaker: But, this will not come as a surprise to you, he always voted for Howard Green.

I once asked my mother: "Isn't father a Liberal?" She said: "Yes". I asked: "Why does he vote for Howard Green who is a Conservative?" She said: "Your father and Howard Green enlisted together from British Columbia and went to France and fought together in the trenches, and that is all there is to that".

• (1420)

It was, I think, an expression of the kind of faith that people had in Howard Green. It came from a lot of different places, a lot of humble places. He has left us now. However, I think it is appropriate to say that he would be listening with a quiet and perhaps bemused smile to what we are saying.

The Right Hon. Secretary of State for External Affairs (Mr. Clark) said that he loved this place. He did; but he loved his country more. He loved the people whom he served.

* * *

VOLUNTEER FIRE-FIGHTERS

LIMIT OF TAX EXEMPTION

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, there is no question in anyone's mind with respect to the splendid work done by volunteer fire-fighters, not only in my riding of Haldimand—Norfolk but all across Canada.

Volunteer fire-fighters served their municipalities with very little compensation. Generally, they are given honorariums to cover out-of-pocket expenses. I am confident that no one in this House would disagree with such remuneration. One would agree that their service is worthy of every penny.

The Government presently allows them a $500 tax exemption on honorariums that they receive. However, the inflationary costs incurred in the course of duty expenses often exceed the $500 tax exemption limit and volunteers are now being forced to pay income tax on these expenses.

These volunteers are donating their time and often risking their lives on behalf of others. Surely, we owe them more thanks than this.

Tax exemptions for volunteer fire-fighters in Canada should be increased to at least $1,000. This sum should be increased periodically to keep up with added costs and inflation.

This is the least Canada can do to recognize the great contribution these volunteers make to our country and offer some incentive for the civic minded individuals to continue this service to their communities and to Canada.

* * *

TRANSPORTATION

REQUEST FOR NATIONAL STRATEGY

Mr. John Reimer (Kitchener): Mr. Speaker, within a few days we are expecting the business plan for VIA Rail as requested by the Government of Canada. I urge the Government of Canada, in considering its response to

this report, to seize the golden opportunity and the need for fiscal restraint present to us and therefore respond with a national transportation strategy design for the next century.

From a southern Ontario perspective, we have Canada's busiest airport in Toronto, the most congested highways in the nation, and the most heavily used rail and bus services in Canada.

Whatever the Government's options on VIA within the vital corridor from Windsor to Quebec City, I urge the Government to study them, not in isolation of rail service only, but within an integrated transportation strategy of rail, air, car and bus traffic.

While considering this strategy I implore the Government to develop it in consultation with the provinces and in a manner that is in harmony with sound environmental considerations for the future.

* * *

SOCIAL PROGRAMS

IMPACT OF CUTS IN NOVA SCOTIA

Ms. Mary Clancy (Halifax): Mr. Speaker, to be poor and unemployed in the City of Halifax is now going to be tougher than ever. Due to changes in cost sharing agreements the Halifax city Government has its back to the wall.

Cuts in social assistance are being forced that will create hardship not seen in our city since the terrible days of R. B. Bennett—$50 less per month in the shelter allowance alone. All this before the effects of the Government's ill-conceived, all-out attack on Atlantic Canadians through its pernicious Budget are truly felt.

The Nova Scotia Nutrition Council says that the children on social assistance do not receive proper nutrition in our province. They cannot because social assistance does not pay enough to provide it. The situation is now critical.

I call on the federal Government to reverse its search and destroy policy in the Atlantic region. Cuts to UI, to EPF, to ERDAs, closures of bases and fish plants will strain our municipalities beyond their endurance.

Tories, provincial and federal, must stop this wholesale slaughter of our social service safety net.

[*Translation*]

HOUSE OF COMMONS

THE MEMBER FOR LÉVIS—ALLEGATIONS OF FRAUD

Mr. Howard McCurdy (Windsor—Lake St. Clair): Mr. Speaker, we socialists on the other side of the House were shocked and appalled when we read in the papers this morning that the Hon. Member for Lévis (Mr. Fontaine) was being investigated by the police following allegations of abuse of public funds. The Hon. Member for Lévis has played a very important role in our lives as socialists. When we were plagued by self-doubt and thought that the Government no longer took us seriously, he was always there to remind us that nothing could be further from the truth. We knew he was speaking in affectionate terms when he accused us of being financed by the unions, and we appreciated the kindness and courtesy of his comments. Well, Mr. Speaker, we New Democrats have always kept our hands firmly in our pockets where public funds were concerned, and we hope that the police investigation will show that the Hon. Member for Lévis exercised more discipline and common sense in the performance of his duties than in his comments in this House.

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

* * *

[*English*]

HOUSE OF COMMONS

TRIBUTES TO PAGES

Mr. Speaker: I would like to take a moment to thank some very special people who have made our jobs a little easier in this Chamber, the parliamentary pages.

Some Hon. Members: Hear, hear!

Mr. Speaker: This is their last week with us. I have not asked them what they are thinking, nor would I. However, I know that Members would want me to express our sincere thanks and appreciation for all that they have done to help the House of Commons.

[*Translation*]

In addition to serving Hon. Members efficiently and with great dedication, these young people took part in a number of deserving projects outside the House, includ-

ing the United Appeal Campaign and the CHEO telethon.

[*English*]

On behalf of all Members, I express my gratitude to the pages and to the page program staff for the fine work they have done for our country.

Thank you very much.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

FINANCE

NEW NATIONAL SALES TAX

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Finance. It is about his new national sales tax. You know the tax we are talking of, Mr. Speaker. It is that tax which the Minister says is so simple, so simple that for two years neither he nor his Department can come up with a booklet to explain it. That is the tax we are talking about.

Will the Minister confirm that he is slapping a new national sales tax of 9 per cent on reforestation equipment which is currently exempt from manufacturers' sales tax? At the same time will he confirm that he is slapping a new national sales tax of 9 per cent on pollution control equipment which is currently exempt, and on product safety testing equipment which is currently exempt, and on farmers' irrigation systems which are currently exempt?

Why does the Minister want to discourage anti-pollution equipment, reforestation, and safety equipment?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Right Hon. Leader of the Opposition has asked a number of questions. Let me comment on farmers' irrigation systems. Because of the nature of this tax there will be a total refund of the tax paid on all inputs farmers pay on any of the products they buy.

Some Hon. Members: Hear, hear!

• (1430)

APPLICATION OF NEW TAX

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, if the Minister is saying that there are some new exemptions, since he has only said food and medical equipment so far, then let us hear a list of those exemptions. The definition of his tax value added includes labour.

Will the Minister confirm that for the first time ever he is slapping a sales tax on safety clothing used in nuclear power plants, for the first time ever he is slapping a sales tax on oxygen air packs used by people fighting fires, including chemical fires? Will he confirm that for the first time ever he is slapping a sales tax on carbon monoxide alarms, for the first time ever he is slapping a tax on life preservers used by loggers? Will he confirm that to the House?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, clearly from the way the Leader of the Opposition has phrased these questions, I do not think he understands the way this tax works. I believe it would be important for him to wait for the technical paper and to read that paper. Then I think he will get all his answers.

Mr. Turner (Vancouver Quadra): Either the Minister will confirm that they are not exempt or he will admit that his paper adds value to labour added and a value added tax that would englobe them. If it is so simple, why do we not have the booklet that he has been trying to produce for two years so that we can we explain it to the House of Commons and the people of Canada.

[*Translation*]

APPLICATION OF NEW SALES TAX—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, can the Minister confirm to us that, for the first time, he will hit safety belts, safety cables, safety hooks, safety boots and safety glasses with a new 9 per cent national sales tax? Can he confirm to the House that, for the first time, he will impose a new 9 per cent sales tax on equipment used to control the safety of aircraft and on baby diapers? Finally, can he confirm to us, once and for all, that he will impose a new 9 per cent sales tax on burials and funerals?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, again I think we have another example of the Leader of the Opposition trying to ride two horses. For the last two weeks he has been railing away about the fact that this tax is invisible. In fact, it is. But all he is saying to us is that he wants to go back to the highly invisible tax—

An Hon. Member: That he is responsible for.

Mr. Wilson (Etobicoke Centre): —the very arbitrary, capricious tax, the same tax that he administered when he was Minister of Finance. He wants to go back to a tax which has 22,000 separate deals between Revenue Canada and individual taxpayers.

Mr. Mulroney: Shame.

Mr. Wilson (Etobicoke Centre): That is the mess we are trying to get away from. Surely the Hon. Leader of the Opposition understands that.

* * *

TOURISM

EFFECT OF NEW SALES TAX

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, my question is directed to the Minister responsible for tourism. The tourist industry of Canada, Ministers of Tourism in every province and now the respected Conference Board of Canada have indicated that the 9 per cent sales tax will penalize the tourist industry by $1 billion a year. Since 80 per cent of tourist activity in this country is by Canadians themselves, what does the Minister intend to do to prevent such a substantial loss of revenue, the erosion of confidence and international competitiveness in our tourist industry?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, the Hon. Member will know that three weeks ago I met with the provinces and the Conference Board made their presentation. It is interesting to note that the Conference Board presentation made it clear that after four or five years the tourist industry will be better off with the goods and services tax. That is even without seeing the improvements that will obviously come in the technical paper as well.

[*Translation*]

REFUNDS—MINISTER'S POSITION

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, we know that the Minister does not intend to renew the marketing contracts or agreements with the provinces, especially the Eastern provinces. Does the Minister at least intend to respond to the requests of the tourism industry for rebates for tourists visiting our country?

[*English*]

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, the Hon. Member knows full well that through the goods and services tax we will enhance our exports as a country. One of our exports is, in fact, tourism.

Ms. Copps: Tourists?

Mr. Hockin: In other words, it is an export because we attract Americans, Europeans and Asians to Canada. As a result of the goods and services tax, not only will we be in a stronger position in three or four years after the tax is implemented, more important, there will be special approaches within the tax that the Minister of Finance will announce, which will also address the problem, I am sure.

* * *

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

REQUEST AS TO HOW MANY CONSERVATIVE MEMBERS ARE SUBJECT OF INVESTIGATIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Solicitor General.

According to a newspaper today, the Royal Canadian Mounted Police is investigating a Conservative MP. According to another newspaper, the RCMP is conducting two investigations regarding two Conservative MPs. And according to a third newspaper, there may be more.

Would the Solicitor General tell the House of Commons how many investigations and how many Members of Parliament?

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I am a little surprised by my colleague's question. With his experience, he knows very well that it is not customary for the Solicitor General to comment on investigations

that the Royal Canadian Mounted Police conducts from time to time. I can only refer you to what you read in the newspapers. I think that in one case it was confirmed by the individual in question.

Mr. Speaker, I also think that it is quite inappropriate to comment in the House on investigations that are now under way or that might be carried out by the RCMP. We must let the RCMP do its work!

[*English*]

REQUEST FOR LEGISLATION ON STANDARDS OF BEHAVIOUR

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister is right. One Member has confirmed this himself. My supplementary questions are directed to the Prime Minister. As early as September, 1985, the Prime Minister promised the people of Canada that there would be "a new standard of ethics package of proposals that would be brought forward at an early date and adopted by a Conservative Government". No fewer than five times leading up to last August, on behalf of my Party, I asked for the Government to move on this promise. Nothing was done.

Given that commitment he made in September, 1985, given the new accusations today in addition to a report concerning allegations of conflict of interest activities concerning a Senator, when will the Prime Minister deliver on his promise to bring in comprehensive reform concerning standards of behaviour for elected Members of Parliament?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend has heard the Solicitor General advise that it would be completely inappropriate to comment in respect of any investigation that may or may not be ongoing. Clearly there are difficulties from time to time involving Members of this House, involving members of Houses of other jurisdictions, of other political Parties. Regrettably, this is a fact of political life, and the police conduct inquiries pursuant to information received from time to time, as they should.

In regard to the question raised by my hon. friend, it is our intention to proceed with the appointment of a Royal Commission respecting electoral financing and electoral laws. It is our intention as well to bring forward legislation in the autumn in respect of some of the matters that concern my friend, quite properly, and which we have discussed before in the House.

DEADLINE FOR INTRODUCTION OF LEGISLATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, of course the Government announced this Royal Commission on one aspect of what has been raised. As I pointed out, as early as September, 1985, and subsequent to that, the Prime Minister, the present Minister of Justice and the Deputy Prime Minister promised the House time after time that there would be action. It is one thing to say that there has been wrongdoing in various jurisdictions but it is quite another to sit back and do nothing about it. The people of Canada want some action.

Is it now the Prime Minister's solemn commitment that when the House comes back in September, within say four weeks of returning to Parliament we will have introduced a package of proposals that the Government has been promising since it was elected in 1984?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we introduced a piece of legislation, which passed the House, dealing with lobbyists. I think most people acknowledged that it was a substantial step forward, a first for Parliament.

We introduced other legislation last year in respect of conflicts of interest, declarations by Members of the House of Commons and Members of the Senate in regard to their holdings and so on. There did not appear to be an enormous amount of celerity by the opposition Parties in regard to passing this, as a result of which it did not pass at the time.

• (1440)

My hon. friend makes pejorative references in regard to the conduct of the Government. We went to the people in the intervening period. We were strongly re-elected, retaining the confidence of the people of Canada. I suspect that one of the reasons that we were re-elected is that the people of Canada were expressing confidence in the Government in respect of the integrity of all of its members.

COMMUNICATIONS

RADIO AND TELEVISION SERVICE IN NORTHWEST TERRITORIES

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, my question is for the Minister of Communications. In the Northwest Territories there are francophone residents who have been trying for the past several years to acquire radio and television service in their official language, but the federal Government continues to delay and postpone its requirements to provide communication services to French speaking people residing in the North.

Will the Minister explain why the Government can spend billions of dollars on bilingual programming and completely exclude Yellowknife, for instance, one of the capital cities of Canada, where it has jurisdiction and the responsibility to provide both official languages on radio and television?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, this morning I met the *Fédération des francophones hors Québec*, and this is one of the issues that was discussed.

I can inform the Hon. Member that the situation with respect to bilingual services at the CBC, for instance, has greatly improved in recent years, thanks to the use of satellites and CBC stations broadcasting directly.

There is still work to be done, and I can assure the Hon. Member that the Government is taking this question very seriously.

NORTHWEST TERRITORIES – REQUEST THAT MINISTER INTERVENE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have a supplementary. The Northwest Territories will become officially bilingual on January 1, 1990.

They have asked the federal Government's financial assistance in order to implement their action plan. They have had no news so far. It has now been six months since the federal Government promised them $716,000.

Furthermore, there is no French network of the CBC in the Northwest Territories.

The Minister has $21 million to serve outlying communities. Is he prepared to do his share and give the Northwest Territories the money they need so that CBC's French network can provide television and radio broadcasting in French?

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, of course the Government is aware of these questions, as are the Members of this House, who know perfectly well that it is not up to the Minister of Communications to issue direct orders to the Canadian Broadcasting Corporation, which has its own mandate and is an independent institution.

* * *

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF B.C. MINISTER OF FORESTRY

Mr. Speaker: I wish to draw to the attention of Hon. Members the presence in the gallery of the Hon. David Parker, Minister of Forestry of the Province of British Columbia.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF MAJORITY LEADER IN THE UNITED STATES SENATE

Mr. Speaker: I also wish to draw to the attention of Hon. Members the presence in the gallery of Senator George Mitchell, Majority Leader in the United States Senate.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

NATIONAL DEFENCE

APPLICATION OF OFFICIAL LANGUAGES POLICY

Hon. Bill Rompkey (Labrador): Mr. Speaker, my question is directed to the Minister of National Defence.

The Commissioner of Official Languages stated that the Department of National Defence failed to implement its undertaking to apply the official languages guidelines to all its activities. There are translation delays, and military training in French has proved to be unsatisfactory.

Considering these harsh criticisms, could the Minister explain why his Department has failed to implement the Official Languages Act firmly and fairly and how he intends to ensure equality between Francophones and Anglophones in the armed forces?

[*English*]

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, I believe the Hon. Member misinterpreted what the Commissioner of Official Languages said. This is a very serious matter and it has been taken very seriously by myself and the Government.

The Commissioner of Official Languages recognized that there had been positive steps made by the Department of National Defence. Bilingual manning was increased in real terms, active offer of service at NDHQ was improved dramatically. The official languages co-ordinator network has been improved and we were subject in the Department, Mr. Speaker, to fewer complaints over the last two years than we had been in the past.

It is important to recognize that the opportunities that we provide in second language training, both English and French, the opportunities to work in one's language, and the location of the different units throughout Canada make it difficult to maintain that second language training which we initiate when people are inducted into Canada's armed forces.

POSITION OF MINISTER

Hon. William Rompkey (Labrador): Mr. Speaker, this particular criticism of the Commissioner is a very clear interpretation. He says that on the most senior management bodies, the Defence Council and the Defence Management Committee, there are 11 Anglophones and no Francophones. That is very clear. Is this not unfair in view of the linguistic make-up of this country? What does he intend to do about it?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, no one would suggest, and I know the Hon. Member is not suggesting, that promotion in Canada's military comes about from the ability to speak one or other of Canada's official languages. Promotion comes about in Canada's military for service and capability and the ability to speak both of Canada's official languages.

I can inform the Hon. Member that in 1983, in the general officers ranks in Canada's military 14.3 per cent were Francophone. Today, 1989, 23.2 per cent are Francophone.

* * *

[*Translation*]

HOUSE OF COMMONS

THE MEMBER FOR LÉVIS—RESIGNATION FROM COMMITTEE VICE-CHAIRMANSHIP—PRIME MINISTER'S POSITION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Prime Minister. It is reported that the Member for Lévis is now being investigated by the RCMP. Now this Member, Gabriel Fontaine, is vice-chairman of the Committee on Privileges and Elections. Will the Prime Minister ask the Member for Lévis to resign his position until the RCMP completes its investigation?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member raises a question which I suppose affects the operation of the House. The Member in question has already indicated that since he is being investigated, he would withdraw from the Progressive Conservative caucus and I presume that he will also withdraw from other official functions related to the application of the Standing Orders of the House.

[*English*]

SUGGESTED RESIGNATION FROM TORY CAUCUS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my supplementary question is directed to the Prime Minister. I think the Prime Minister was anticipating my next question. The first question I asked was, in light of the fact that the Member for Lévis is the Vice-Chairman of the Committee on Privileges and Elections will the Prime Minister ask him to remove himself from that committee?

Second, will he follow the example set by Mr. Grisé and remove himself from the Tory caucus? Will he and any other Member who is being investigated remove themselves from the Tory caucus until such investigation is made public? That is the question I am asking.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend says, and I am quoting him, that

I was anticipating his next question. Indeed I was because his question in English was exactly the same as his question in French.

Mr. Rodriguez: No it wasn't.

Mr. Speaker: The Hon. Member has put his question and the Right Hon. Prime Minister has answered it. I just want to remind Hon. Members that the question was getting a long way away from the administration of government.

* * *

• (1450)

NUCLEAR ENERGY

REPORT OF CO-ORDINATING COMMITTEE

Mr. Len Hopkins (Renfrew): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources.

In his March 31 news release, the Minister announced the establishment of a co-ordinating committee consisting of himself, Dr. Hatcher, the Acting President of Atomic Energy of Canada Limited and Mr. Bruce Howe, Deputy Minister of Energy, Mines and Resources, to consider future directions for the corporation.

Given the importance of energy, medical research and high technology to both the short and long-term future requirements of our country, can the Minister say when that report on the future of Atomic Energy of Canada Limited will be ready for presentation to Cabinet? Will he be making the report public? The Minister will know that there are precedents for such reports having been made public in the past.

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, the Hon. Member is correct in his facts as to the organization of the work that is being undertaken regarding the future of AECL. He is also correct in terms of the importance of the work of AECL, and he outlined that.

I cannot confirm for him when Cabinet will be discussing the future of AECL. I think he understands Cabinet confidences. But I can say to him, as I mentioned to the Energy Committee when asked whether I would release the consultant's report, that if possible, I would release it. However, I cannot release the report or even consider its release until I have it in my hands.

LETTER TO AECL EMPLOYEES

Mr. Len Hopkins (Renfrew): Mr. Speaker, in his letter to the Atomic Energy of Canada employees, the Minister stated that the sources for continuing the necessary level of research and development funding are uncertain. Then, in the same letter, he told them that the federal Government fully supports the Canadian nuclear program.

How can the Minister say that the Government fully supports AECL's medical research, its energy program, its engineering projects such as the Canadarm, and at the same time tell the employees that he does not know where the next dollar is coming from? This is a very key question.

Will the Minister leave the company's profits with the corporation for future research and development, and will he not continue to sell off to private enterprise its profitable assets such as the radio medical isotopes operation and its cobalt therapy cancer treatment production? All of these have been developed with public funds.

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I can tell the Hon. Member that some of the next dollars for AECL will continue to come from the public purse. What I also have to tell the Hon. Member is that AECL, as any other nuclear company, whether privately or publicly owned, are looking for more and more of their resources from the utilities and from the users of that technology.

If he is asking me where I hope to get more money, I hope to get more money from Ontario Hydro. I hope to get more money from the Ontario Government. I hope to get more money from the users of the technology. I would hope that he would want to back that up as well for the very reasons that we are looking for support for the continuation of AECL. Its problem has been that it has not had a relationship with the private sector, and has not been getting money back for the technology that it has developed. I thought the Hon. Member, who also supports AECL as I have done for many years, would understand that and back me up. I hope he does.

Oral Questions

THE CONSTITUTION

MEECH LAKE ACCORD

Miss Deborah Grey (Beaver River): Mr. Speaker, the Prime Minister has said that a Constitution should bring Canadians together and should be accepted by all Canadians.

My question is to the Prime Minister. Since it is now clear that most Canadians outside central Canada reject the Meech Lake Accord and that public opinion will make it politically impossible for certain provinces to accept the Accord, will the Prime Minister now urge negotiation of a new Accord that will address the concerns of these provinces as well as the concerns of Quebec?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am surprised to hear the comment from my hon. friend. The Premiers of Canada met in Edmonton under the chairmanship of the Premier of Alberta, a province represented by my hon. friend. They said in 1986 that it was very important, given the incomplete nature of the work in 1982, that the Premiers request the federal Government engage in what was referred to as the "Quebec round" to bring Quebec back into Confederation.

That having been accomplished, it was their hope and that of the Leaders of every Party of this House, that we would then move on in a second round to deal with those matters of substance and concern to other Canadians. For example, the question of Senate reform is of great interest to the people of Alberta and western Canada. But clearly it was the considered view of all of the Premiers, particularly those from western Canada, as well as myself and the Leaders of the political Parties in this Chamber, that these other matters could not be dealt with properly until such time as the constitutional loop was closed.

Quebec was brought in on terms that were both reasonable and fair. That is what the Meech Lake Accord was all about. That is why it was endorsed by 10 premiers representing four different political parties from British Columbia to Newfoundland and Labrador. That is why it was endorsed very enthusiastically by the Leader of the Opposition, the Leader of the NDP and myself as Leader of the Progressive Conservative Party.

I want to tell my hon. friend that among other things, under the previous Constitution there was an inequality *vis-à-vis* the provinces where some provinces had vetoes and others did not. Alberta is now a first class province under the Meech Lake Accord and it was not before.

SENATE REFORM

Miss Deborah Grey (Beaver River): A supplementary question, Mr. Speaker. In my maiden speech a couple of months ago I said something about executive federalism. Yes, in fact the Premier of Alberta did endorse the Meech Lake Accord. The people of Alberta did not.

We in Alberta are also interested in seeing a meaningful Senate reform proposal from this Government, and we have not seen such to this date. We are looking forward to seeing that.

The Prime Minister will be aware that a recent poll in the Montreal *Gazette* shows that even in Quebec, only 44 per cent of the people actually support the Meech Lake Accord. Since these are hardly the kinds of numbers necessary to provoke a national unity crisis, why does the Prime Minister not urge the Government of Quebec to also show some flexibility instead of just twisting the arms of the smaller and politically weaker provinces?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend says that while the Premier of Alberta endorsed the Meech Lake Accord, the people of Alberta did not. On November 21 last, there was a general election and the Progressive Conservative Government which stood for a strong support of the Meech Lake Accord won 25 out of 26 seats in Alberta. That is a major endorsement.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Now my hon. friend refers to a very fundamental question of Senate reform which all of us I think desire to bring about in Canadian federalism. Senate reform can only be achieved if Quebec is brought back into the Constitution. It cannot be done without that condition precedent.

The Premier of Alberta understood that, the Leader of the Opposition understood it, the Leader of the NDP understood it. I think my hon. friend understands full well that if Alberta desires Senate reform, which it does, and if Senate reform would be beneficial to Canadian federalism, which it indeed would, then first and foremost we must find terms on which Quebec can honourably rejoin the Canadian constitutional family. We have

found them in Meech Lake, and I urge my hon. friend to strongly defend Meech Lake and endorse it across western Canada.

* * *

• (1500)

ENVIRONMENT

GRANTS TO BUILD SEWAGE TREATMENT FACILITIES

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, my question is for the Minister of Public Works. In municipalities across Canada children and their families are denied access to our public beaches because of pollution caused in many cases by sewage discharge.

In Newfoundland and Nova Scotia raw sewage is being dumped into the Atlantic Ocean. Here in Ottawa–Carleton, sewage is polluting our rivers. In Hamilton the sewage is polluting the harbour.

Given that the Minister is aware of a $200 million grant given to Nova Scotia to build a sewage treatment facility in Halifax, is the Minister and this Government prepared to make a similar commitment to other cities across Canada?

[*Translation*]

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, the question of municipal infrastructure and the problems of maintaining it are well known and the solution is well known too. We all know that the price of water in Canada is the cause of the problem and that Canadians do not pay as much for water as they should. If Canadians paid the same for water as our American friends, we would have no problem maintaining sewage and water systems in Canada. The municipalities would have all the money they would need. So the municipalities and the provinces must fulfill their responsibilities in this area.

[*English*]

ROLE OF FEDERAL GOVERNMENT IN MUNICIPAL INFRASTRUCTURE

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, historically the federal Government has played a role that goes back to 1938 as a partner working with the provinces and the municipalities to build and upgrade infrastructure across the country.

Will this Government move today to resume its traditional role and stop the rapid decay of our cities and towns?

[*Translation*]

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, the federal Government recognizes its responsibility for technology. We are quite prepared to support the municipalities and the provinces in the area of water purification, with research funds and considerable assistance from the federal Government. But responsibility for the environment must be shared. The provinces claim relative autonomy for the environment: they are right, within their jurisdiction. The federal Government must discharge its own responsibilities, but the provinces must also discharge theirs.

* * *

[*English*]

HEALTH

CANCER STATISTICS FOR SYDNEY, NOVA SCOTIA

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, my question is for the Minister of National Health and Welfare. I want to bring to the Minister's attention a health crisis in Sydney, Nova Scotia.

Cancer statistics from the Minister's own Department now show that the alarming rate of cancer mortality in Sydney, Nova Scotia, first noticed among Dosco coke oven workers, has now spilled out and is confirmed among the entire city population at a rate of 76.12 per cent above the Canadian norm. What measures has the Minister taken to deal with this life and death situation?

Will he agree now to take the lead and launch an immediate study and plan of action to clean up the tar ponds and the whole mess that clearly threatens the lives of workers and residents alike?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, I appreciate the Hon. Member raising the question. I will gladly take it as notice and be in touch with provincial authorities as well.

Oral Questions

ENERGY, MINES AND RESOURCES

CONCENTRATION OF RADIOACTIVE URANIUM AT CIGAR LAKE

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, because the best way to deal with cancer is to prevent it, I would like to direct my supplementary to the other "A" student in the cabinet, the Minister of the Environment.

In light of the fact that the ore body at the proposed Cigar Lake uranium mine in my constituency is up to 800 times as concentrated and radioactive as the one at Elliot Lake, and since full-scale public hearings are being held in the Northwest Territories with respect to the Baker Lake mine which is not nearly as problematic as Cigar Lake, will the Minister undertake a public inquiry into the Cigar Lake Mine as requested yesterday in Saskatoon by Greenpeace and the steelworkers?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I do not think I can comment with respect to the Member's direct request but we will look at it.

I say to him that whether one looks at Rabbit Lake or Cluff Lake, and now Cigar Lake, Canada, specifically the Province of Saskatchewan is sitting on a mine of great value for energy for the future. I point out to the Member as well that it was the former NDP Government of Saskatchewan that first started the development of those mines. When we develop those mines we will make sure not only that health and safety is protected but also that Canada's energy future is advanced.

* * *

AGRICULTURE

FARM CREDIT CORPORATION REQUIREMENTS—DISCRIMINATION AGAINST ONTARIO FARMERS ALLEGED

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I have a question for the Minister of Agriculture.

Will he stop discriminating against Canadian farmers, and against Ontario farmers in particular? The Farm Credit Corporation is asking farmers in Ontario to sign covenants when they are negotiating settlements. These covenants are illegal in some provinces.

One middle-aged farmer in my constituency who lost his hands is being asked to sign a covenant for $140,000. He is being charged interest on interest on overdue accounts. He is being pushed to accept a deal that will let him keep his home and 50 acres of land plus a mortgage of $150,000 and a covenant of another $140,000. This is a direct contravention of the Charter of Rights.

Will the Minister stop this cold-hearted action, stop this discrimination and return the Farm Credit Corporation to its rightful place as a credible lender?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the Hon. Member knows that the Farm Credit Corporation and this Government has not discriminated against any farmers in Ontario or anywhere else and is not doing so.

Mr. Ferguson: Alberta farmers don't sign them.

Mr. Mazankowski: The Hon. Member raises a very important matter. I will be glad to look into it personally. I hope he treats it seriously. I will treat it seriously and I ask him to bring the matter to my attention and I will be glad to look into it in detail.

* * *

EXTERNAL AFFAIRS

PRESIDENT HERZOG'S VISIT—CONCERN OVER HUMAN RIGHTS VIOLATIONS BY ISRAEL

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, my question is for the Right Hon. Secretary of State for External Affairs and concerns the visit of President Herzog to Canada.

Could the Secretary of State for External Affairs tell the House whether he has taken the opportunity, or intends to take the opportunity during President Herzog's visit, to express to the President a concern that many Canadians have over human rights violations in the occupied territories by Israel.

I think that many of us felt in the remarks this morning made by the Prime Minister prior to the speech that the Government treaded a little too softly on that issue. I hope the Minister will be taking the opportunity to make

absolutely clear the offence taken by Canadians at some of the practices adopted by the Israeli Government in the occupied territories.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as the Hon. Member indicated, the Prime Minister raised directly in his remarks in this House the question of the concern of Canadians about human rights situations in the Middle East. Indeed, I found it interesting and important that the President of Israel in his own remarks made reference to the anguish that question causes within Israel, elsewhere in the Middle East and in this country.

The Prime Minister and I took the opportunity at lunch today to speak directly to the President of Israel about questions relating to detentions and, of course, about questions relating to the application in Israel of the Geneva Convention.

Mr. Blaikie: Mr. Speaker, I hope that the Prime Minister and the Secretary of State for External Affairs were more forceful in their private conversations and I trust that they will take whatever further opportunities present themselves to make that point over and over again.

GOVERNMENT POLICY RESPECTING ELECTIONS IN THE OCCUPIED TERRITORIES

Mr. Bill Blaikie (Winnipeg Transcona): I would like to ask the Secretary of State a further question with respect to the proposal by the Israeli Government for elections in the occupied territories. It is not clear to me exactly what the Canadian government position is with respect to the proposal by the Israeli Government. Could the Secretary of State for External Affairs say what the Canadian position is on these elections, because obviously there are many important questions that remain to be answered before we could regard this election proposal as a suitable object of the peace process?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, two things. First, the Prime Minister addressed directly those questions of human rights as Members of this House who were present here today know.

Second, I answered a question from the Hon. Member for Calgary Southwest the other day in this House with respect to the question of the Shamir proposal. We believe it is a significant and important proposal on the part of Israel. There are obviously a great many details that remain to be worked out. We think that it does provide a basis for movement toward a peaceful settlement in that region, based upon Resolution 242. In that spirit we support it actively and we will try to continue our efforts to encourage the Palestinians to respond in a positive way to that initiative.

• (1510)

Mr. Speaker: I want to advise the House that there will be a question from the Hon. Member for Hillsborough and a very short supplemental, followed by a question from the Hon. Member for Don Valley North and that will close off Question Period. The Hon. Member for Hillsborough.

* * *

LABOUR

CONSTRUCTION INDUSTRY DEVELOPMENT COUNCIL—GOVERNMENT POLICY RESPECTING CONTRACTING TO PRIVATE INDUSTRY

Mr. George Proud (Hillsborough): Mr. Speaker, my question is for the Minister of Labour. In the latest report of the Government's own Construction Industry Development Council, the Council recommended the contracting out of Government contracts to private industry. In other words, privatization.

It appears that the Government has established a general policy of contracting out and that it is encouraging private industry to follow its lead.

Is the Minister aware of the Council's recommendation and, if so, is this in fact a Government policy?

Hon. Jean Corbeil (Minister of Labour): Mr. Speaker, I am happy to restate again that the Minister of Labour, as well as this Government, is very proud of what the Centre has been doing over the past few years.

I am also proud to report to the critic of the Liberal Party that at a recent meeting in Calgary, the Council of Governors adopted the following resolution:

> The President and Chief Executive Officer, with a Task Force representing stakeholders, start the preparation of alternative plans for the future of the Centre which are in accordance with principles of individual free access previously agreed to by the Council of Governors.

We wholeheartedly agree with this resolution.

Point of Order—Mr. Riis

EFFECT OF PRIVATIZATION ON JOB SECURITY

Mr. George Proud (Hillsborough): Mr. Speaker, my supplementary question is to the same Minister. Privatization of the workplace is driving Canadians toward the poverty line. When an industry goes from the unionized public sector to the non-unionized private sector, workers see their incomes decrease by some 35 per cent to 75 per cent.

The question is, is the Government funding this Council and, if so, what is the financial commitment? Are Canadian tax dollars being spent on ads that may ultimately cost workers their jobs and their security?

[*Translation*]

Hon. Jean Corbeil (Minister of Labour): Mr. Speaker, I am not sure that I correctly understood the question I was asked. But if the question was whether the Government in the past financed this centre, and we were talking about the same centre, I would recall an answer that I already gave previously. In the first six years since it was created in 1969, under a Liberal Government, it was granted $3.3 million a year. Since it has come under a Conservative Government, it has received a subsidy averaging $8 million a year.

* * *

[*English*]

COPYRIGHT

EXEMPTION FROM LEGISLATION FOR EDUCATIONAL USES

Ms. Barbara Greene (Don Valley North): Mr. Speaker, educators across Canada are deeply concerned about the impact of Bill C-60, the copyright legislation, on their ability to teach mandatory courses and provide students with examples and experiences which are current and relevant.

Will the Minister of Communications be introducing exemptions to the Act which will guarantee educators access to Canadian materials comparable to that which they have to American materials?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, the Copyright Act is intended to compensate creators while giving users of protected works easy access at reasonable cost.

We have already passed the first stage of legislation and Parliament will soon be presented with a second stage dealing with various types of limited exemption, including those for educational institutions.

In this second stage, we will try in particular to update existing exemptions by taking account of the recommendations of an advisory board set up for that purpose. This board is made up of representatives of the creators and the teaching community.

* * *

HOUSE OF COMMONS

TABLING OF UPDATED STANDING ORDERS

Mr. Speaker: I have the honour to table the Standing Orders of the House of Commons dated April 1989, reflecting the changes adopted by the House on Wednesday, April 5, 1989.

* * *

[*English*]

POINT OF ORDER

CLOSURE PROCEEDINGS

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I rise on a point of order. Yesterday was the first occurrence in the history of the House that a debate under closure collapsed before the allotted voting hour.

Closure, as the House knows, has been moved fewer than 30 times in the past 75 years. It is designed to shorten debates which would otherwise continue at such lengths as to impede the reasonable progress of the Government's legislative program. It was not designed as a way of extending hours. In fact, it originally cut an hour off the sitting day. The collapse of the debate on Bill C-20 yesterday is clear evidence of the misapplication of the heavy hand of the Government on this House. Before the Government moved closure—

Some Hon. Members: Oh, oh!

Mr. Speaker: Taking into account all of the circumstances, I think perhaps it is appropriate that Hon. Members listen to the House Leader of the New Democratic Party on this important point of order. The Hon. Member for Kamloops.

Mr. Riis: Mr. Speaker, I will be very, very quick. The collapse of the debate on Bill C-20 yesterday is obviously clear evidence of the misapplication of the heavy hand of the Government on this House. Before the Government

moved closure, Bill C–20 had been debated at second reading for less than two hours. It is a very routine Bill.

As parliamentarians, we know that amendments to the Excise Act are proposed following virtually every budget. I do not think the House has shown itself to be very constructive in the passage of these Bills. Quite the contrary. I simply want to make the point that closure is an unpleasant method of running the Government. It is essentially undemocratic in that it seeks to limit dissent. When closure is used in a routine way, as it appears this Government has done on occasion, at least, and when it is used to stampede an opposition that is not even attempting to impede the Government's right to pass legislation, then this is an abuse of the House and an abuse of Standing Order 57.

Some Hon. Members: Hear, hear!

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I note with some humour my hon. friend's comments with respect to the question of closure. It is a legitimate tool which is in the Standing Orders. It is just as legitimate as forcing a vote on the introduction of one's own private Bill, which my friends in the New Democratic Party have done on several occasions in an effort to blow some time.

In an effort to make up for some time, we have used the device of closure. It is much more expedient than time allocation. I would only suggest this to my hon. friend, in a rhetorical way, that had he come to me and suggested that a mere extension of hours would have done the job, we would have done it.

Mr. Speaker: There are occasions in the life of the House of Commons when all Members on both sides should tread with great caution, and this is perhaps one of those afternoons. However, I have listened very carefully to what the Hon. Member for Kamloops (Mr. Riis) has said on behalf of the New Democratic Party. I will consider his comments.

I do not think that a ruling is required. He has made clear his grievance and there has been a response from the Government House Leader, the Minister of Justice (Mr. Lewis). However, I am going to examine carefully what the Hon. Member for Kamloops has said and reflect upon it.

Tabling of Documents

ROUTINE PROCEEDINGS

[*Translation*]

EXTERNAL AFFAIRS

TABLING OF ETHICS CODE FOR CANADIAN COMPANIES IN SOUTH AFRICA

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, pursuant to Standing Order 67(2), I table the code of ethics, in both official languages, for Canadian companies in South Africa.

* * *

REGULATORY AFFAIRS

TABLING OF REMISSION ORDERS AND GOVERNMENT REPORT CONCERNING REMITTANCE DECREES

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, pursuant to Standing Order 32(2), I have the honour to table copies in both official languages of several remission orders and government reports presented to Parliament concerning the remission orders approved for the six–month period ending March 31, 1989.

* * *

ACCESS TO INFORMATION AND PRIVACY

TABLING OF FIRST ANNUAL COMPREHENSIVE REPORT ON APPLICATION OF THE ACTS

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I have the honour to table, in both official languages, the First Annual Comprehensive Report on the Implementation of the Access to Information Act and the Privacy Act.

* * *

• (1520)

[*English*]

ORDER IN COUNCIL APPOINTMENTS

REFERENCE TO STANDING COMMITTEES

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to table, in both official languages, a number of Order in Council appointments which were made by the Government. Pursuant to the provisions of Standing Order 110(1),

these are deemed referred to the appropriate standing committees, a list of which is attached.

[*Translation*]

* * *

PETITIONS

GOVERNMENT RESPONSE

Hon. Doug Lewis (Minister of Justice, Attorney General of Canada and Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the Government's response to thirty petitions.

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

* * *

[*English*]

LAW REFORM COMMISSION OF CANADA

TABLING OF 17TH ANNUAL REPORT

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, pursuant to Standing Order 32(2), I have the honour to lay upon the table copies, in both official languages, of the Seventeenth Annual Report of the Law Reform Commission of Canada.

* * *

COMMITTEES OF THE HOUSE

REPORT OF STRIKING COMMITTEE

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I have the honour to present the Twelfth Report of the Striking Committee.

* * *

COMMITTEES OF THE HOUSE

NATIONAL DEFENCE AND VETERANS AFFAIRS—FIRST REPORT OF STANDING COMMITTEE

Mr. Arnold Malone (Crowfoot): Mr. Speaker, I have the honour to present the First Report of the Standing Committee on National Defence and Veterans Affairs.

[*Translation*]

TABLING OF THIRD REPORT OF JOINT COMMITTEE ON SCRUTINY OF REGULATIONS

Mr. Tom Wappel (Scarborough West): Mr. Speaker, I have the honour of tabling, in both official languages, the Third Report of the Standing Joint Committee on Scrutiny of Regulations.

[*English*]

The report concerns the formal documents regulations made under Section 4 of the Seals Act. These regulations specify the classes of public documents which must be passed under the Royal Seals. It is the view of the Joint Committee that the current regulations are invalid in that they were not approved by Her Majesty the Queen as required by Section 4 of the Seals Act.

[*Translation*]

The predecessor of the present Minister of Consumer and Corporate Affairs disagreed with the Committee's views but nevertheless agreed to table a Bill to amend the Seals Act in order to remove the requirement which provides that the regulations must be approved by the Sovereign.

[*English*]

As noted in the Third Report, "It will be for Parliament to decide whether to amend the Act in this fashion". The only recommendation of the Joint Committee is that any proposed legislation retroactively validate the existing regulations for greater certainty. I invite Hon. Members who wish a more complete explanation of the issues involved to read the Third Report of the Joint Committee.

* * *

COMMITTEES OF THE HOUSE

COMMUNICATIONS, CULTURE, CITIZENSHIP AND MULTICULTURALISM—FIRST AND SECOND REPORTS OF STANDING COMMITTEE

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, I have the honour to present the First and Second Reports of the Standing Committee on Communications, Culture, Citizenship and Multiculturalism. The First Report deals with the committee's unanimous decision to request the re-establishment of the Standing Committee on Multiculturalism and Citizenship. The

Second Report deals with the fact that the National Film Board won an Oscar and it is the committee's desire that this Oscar be displayed in the House of Commons.

* * *

POINT OF ORDER

THE OFFICIAL REPORT—CLARIFICATION OF COMMENTS

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, one of the recommendations made in the report reminds me that the Hon. Member for Saint-Laurent (Mrs. Maheu) rose yesterday to make a statement regarding the Hon. Member for Vancouver East (Ms. Mitchell). I would simply like to reply on behalf of the Hon. Member for Vancouver East to clarify any misunderstanding that may exist regarding her question of June 22, as reported at page 3557 of *Hansard*, which was directed to the Hon. Member for York West (Mr. Marchi). When she said that the Liberal critic for multiculturalism would oppose the re-establishment of a separate Standing Committee on Multiculturalism, she was referring to the Hon. Member for Broadview—Greenwood (Mr. Mills), she was not referring to his co-critic, the Hon. Member for Saint-Laurent, who yesterday clarified that she supported a separate Standing Committee on Multiculturalism.

Mr. Speaker: The Chair thanks the Hon. Member.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I rise on a point of order. There have been discussions with the Parties and I think you would find unanimous consent for the Government to introduce two Bills which are shown on the notice paper. The purpose of introducing these today would be to enable them to be printed and to allow some time over the next few weeks for them to be considered. I am referring to the Bills presently on the Order Paper standing the name of the Minister of Finance (Mr. Wilson), a Bill entitled an Act to amend the Federal Provincial Fiscal Arrangements and Federal Post-secondary Education and Health Contributions Act, and a Bill standing in the name of the President of the Privy Council (Mr. Mazankowski) entitled an Act to establish the Canadian Centre for Management Development and to amend certain other Acts in consequence thereof.

Mr. Riis: Mr. Speaker, we have noticed the Bills on the notice paper and while we have some concerns with some of them, we will certainly support their introduction to expedite the matter. I would simply like to inform the Government House Leader that we are still waiting for Bills on an ethics package, a federal environmental assessment process, a child care program, broadcasting copyright, bankruptcy law and water quality. There is a whole list of Bills for which we are waiting and I was hoping we could see those on the notice paper today. Perhaps the Minister could give us an indication of when we would see some of these Bills brought forward.

Mr. Lewis: Mr. Speaker, my hon. friend will remember that on November 21, we were elected for five years. During the course of our mandate, he will see those Bills.

Mr. Milliken: Mr. Speaker, I want to confirm the arrangement to permit the introduction of the two Bills that the Minister of Justice (Mr. Lewis) is seeking leave to introduce today. I must say that I agree with my hon. friend from Kamloops with respect to the dilatory nature of the movement on some of these other matters, but that is not a matter that we can usefully debate in the House this afternoon.

* * *

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT

MEASURE TO AMEND

Hon. Doug Lewis (for the Minister of Finance) moved for leave to introduce Bill C-33, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act.

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

Some Hon. Members: Agreed.

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

[*Translation*]

AN ACT TO ESTABLISH THE CANADIAN CENTRE FOR MANAGEMENT DEVELOPMENT

MEASURE TO ENACT

Hon. Doug Lewis (for the Deputy Prime Minister, President of the Privy Council and Minister of Agriculture), with unanimous consent, moved for leave to introduce Bill C-34, an Act to establish the Canadian Centre for Management Development and to amend certain Acts in consequence thereof.

Mr. Speaker: Does the Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

Mr. Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

• (1530)

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

Hon. Bob Kaplan (York Centre) moved for leave to introduce Bill C-255, an Act to amend the Criminal Code (lotteries).

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

Some Hon. Members: Agreed.

Mr. Kaplan: Mr. Speaker, this is an amendment to the Criminal Code which would have the effect, I hope, of reducing the amount of gambling in Canadian society. The way it would work is to prohibit advertising of lotteries.

Gambling is a human weakness. For some people, it is a very serious disease. The Bill makes the point that, while our laws should accommodate those who must gamble, to have legislation in place that allows Governments through advertising to encourage gambling is unacceptable.

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

* * *

COMMITTEES OF THE HOUSE

SCRUTINY OF REGULATIONS—AUTHORIZATION FOR STANDING JOINT COMMITTEE TO TRAVEL

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, there have been discussions among the Parties, and you will find that there is unanimous consent for the following motions to be put by myself and voted upon immediately without debate. The first motion is the following. I move:

> That the Standing Joint Committee for the Scrutiny of Regulations be authorized to travel to London, England to attend the Third Commonwealth Conference on Delegated Legislation from November 20 to 23, 1989, and that the necessary staff accompany the committee.

[*Translation*]

Mr. Speaker: Does the Hon. Leader of the Government in the House of Commons have the unanimous consent of the House to move the motion?

[*English*]

The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

ENVIRONMENT—AUTHORIZATION FOR STANDING COMMITTEE TO TRAVEL

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, the second motion is the following. I move:

> That the Standing Committee on the Environment be authorized to travel to Washington, D.C. during summer recess, not to exceed three days, for the purpose of discussion with U.S. Congressmen on acid rain.

Mr. Speaker: Does the government House Leader have the unanimous consent of the House to move the motion?

Some Hon. Members: Agreed.

[*Translation*]

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

[*English*]

MEETINGS OF LEGISLATIVE COMMITTEES

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I move:

That, notwithstanding any Standing Order of this House, the chairman of any legislative committee shall be empowered to call a meeting for the purposes of organization, pursuant to Standing Order 113(3), at his or her discretion but, in any case, shall do so no later than 10 sitting days after this House resumes sitting in September, 1989;

Provided that this Order does not apply to the legislative committee on Bill C-21.

[*Translation*]

Mr. Speaker: Does the Hon. Leader of the Government in the House of Commons have the unanimous consent of the House to move the motion?

Some Hon. Members: Agreed.

[*English*]

The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

BILL C-21—MEMBERSHIP ON COMMITTEE

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I move:

That, notwithstanding any Standing or other Order of this House, the membership of the legislative committee on Bill C-21, an Act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act, be increased from eight to 14 members;

That the additional members to serve on the said committee be: Mrs. Anderson, Ms. Langan, Mr. F. LeBlanc, Ms. Catterall, Mr. Vien and Mr. Worthy.

That the said committee, accompanied by the necessary staff be empowered to adjourn from place to place within Canada; and

That the said committee report the Bill no later than Tuesday, October 10, 1989.

Mr. Speaker: Does the Hon. government House Leader have the unanimous consent of the House to move the motion?

Some Hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Speaker: Perhaps the Hon. Minister of Justice might stand down for a moment, and because it is today I will make a great exception and recognize the Hon. Member for York Centre on the presentation of a petition.

* * *

PETITION

EMIGRATION OF GEORGY BELITSKY

Hon. Bob Kaplan (York Centre): Mr. Speaker, I have a petition from a number of members of Beth Emeth Bais Yehuda Synagogue who are presenting a petition on behalf of Georgy Belitsky of Vilnius, U.S.S.R. who is seeking to leave the Soviet Union to emigrate to Israel.

The petitioners urge the Government of Canada to make representations to the Government of the Soviet Union to grant an exit visa to Georgy Belitsky.

* * *

MOTIONS

BUSINESS OF THE HOUSE

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, there have been discussions among the Parties. As the House knows, there has been considerable progress made on the business before the House, thanks to the efforts of all Members of the House.

There is an understanding between the Parties that we will complete the items on the Projected Order of Business in the following order. First, the appropriation Bill re the drought payments; second, Bill C-16, the space agency Act to complete second reading; Bill C-19 to complete third reading of the Energy Act; Bill C-22 to complete third reading of the Environmental Protection Act amendments; and Bill C-15, plant breeders' rights Act second reading.

It may very well be that we will have to invoke closure on Bill C-15, the plant breeders" rights at second reading.

However, on that understanding, I move:

That, when the House completes, later today, proceedings on the motion for second reading of Bill C-15, an Act respecting plant breeders' rights, it shall stand adjourned until Monday, September 25, 1989, provided that

(I) If at any time a Bill or Bills be ready for the granting of Royal Assent, the Speaker may, after consultation with the Government, fix a time at which the House shall meet for that sole purpose, after which the House shall once again stand adjourned in accordance with this Order, and

(II) Further to the Order of the House made April 4, 1989 (respecting supply): the number of allotted days in the period following Labour Day be eleven, with one of them in September, five in October, three in November and two in December; the date in Section "C)" of the said Order be changed to Wednesday, October 11, the date in Section "D)a)" of the said Order be changed to October 11, the date in Section "D)b)" of the said Order be changed to October 18, and the date in Section "E)" of the said Order be changed to Thursday, October 19.

Mr. Speaker: Does the Hon. Minister of Justice have unanimous consent of the House to move the motion?

Some Hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

• (1540)

SCRUTINY OF REGULATIONS

CONCURRENCE IN FIRST REPORT OF STANDING JOINT COMMITTEE

Mr. Tom Wappel (Scarborough West): Mr. Speaker, I would like to move a motion which I think will receive the unanimous consent of the House.

[*Translation*]

Mr. Speaker, I move, seconded by the Hon. Member for Nipissing (Mr. Wood):

That the First Report of the Standing Joint Committee for the Scrutiny of Regulations, presented to the House on Wednesday, June 14, 1989, be concurred in.

Mr. Speaker: Does the Hon. Member have the unanimous consent of the House to move this motion?

Some Hon. Members: Agreed.

[*English*]

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I rise on a point of order. I am not necessarily against this motion. I must say that I am unaware of it. I do not know what it includes. I would like to suggest that we stand it down for a few moments in order to have some consultations.

Mr. Speaker: Perhaps Hon. Members could have a discussion. I will certainly hear them both in a minute or two.

I wish to bring to the attention of the Hon. Member for Kamloops the fact that the motion the Hon. Member has just moved is on the Order Paper and does not need consent. However, there is a second motion on which he will need consent. Perhaps we could put that one aside for a few minutes.

Coming back to the original motion, I take it that the House will accept it. The second motion, which has not yet been called, needs consent. Perhaps the two Hon. Members could discuss it and indicate to the Chair when they are prepared to have it called.

Just to keep the record straight, there is agreement on the first motion.

* * *

PETITIONS

PROPOSED GOLD MINE IN SHOAL LAKE, ONTARIO

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, with regard to petitions, I would like to congratulate the students of John De Graff School in my riding for gathering together signatures on a petition against the proposed gold mine in Shoal Lake, Ontario, a mine which is to be constructed right in the midst of Winnipeg's drinking water supply.

In that respect I would like to present a petition which represents the concerns of the students and which calls upon Parliament to stop the application by Consolidated Professor Mines until a full federal environmental impact assessment shows the plant to be safe, and to introduce a safe drinking water Act that would give secure access of Canadians to drinking water a greater priority than industrial development.

Mr. Speaker: Before we continue with petitions, I would like to advise the House that there will be a reception for Members in Room 16 starting this evening at 9 p.m.

POSTAL SERVICE—STATION V

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, pursuant to Standing Order 36 I have the honour to present a petition from residents of Parkdale—High Park who wish to save Postal Station V as a full service post office.

The petitioners of Parkdale—High Park oppose the reduced services offered by Postal Station V that forces them to go to the other side of the riding to Postal Station M to receive their mail, registered letters and parcels. They have already had to accommodate this Government's obsession with privatization by having to use postal services at a local drug store which then went bankrupt, wherefore the services were returned to Postal Station V.

They have been assured that at least the reduced services would remain at Postal Station V but they now see a big "For Rent" sign on the post office. The petitioners urge the Post Office to return full service to Postal Station V as it is their right for accessibility to essential postal services.

PEOPLE'S REPUBLIC OF CHINA

Mr. Lee Richardson (Calgary Southeast): Mr. Speaker, I rise to present to the House a petition duly certified correct as to form and content pursuant to Standing Order 36.

This petition has been prepared and signed by hundreds of concerned Calgarians deeply grieved by the tragedy of events in the People's Republic of China.

The petitioners call upon Parliament to condemn the Chinese Government for the recent massacre, to boycott any international activities hosted by the Chinese Government, and to take economic sanctions against the Chinese Government.

CANADIAN MILITARY EXPORTS

Mr. Stan Keyes (Hamilton West): Mr. Speaker, I have the honour and duty pursuant to Standing Order 36 to present to the House a petition on behalf of some 40 members of local churches, including Westdale United Church in my riding of Hamilton West.

The petitioners call upon the Government to provide full disclosure of all Canadian military exports, including the type and producers, the vendor, purchaser, transporter, as well as the immediate and final destinations of the exports, to be printed in register form and available to the Canadian public upon request.

PROPOSED NATIONAL SALES TAX—EXEMPTION FOR MUSIC LESSONS

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, I rise today pursuant to Standing Order 36 to present to the House three petitions concerning the proposed new national sales tax and its possible application to music studies.

I believe, as do the petitioners, that with a sales tax on music lessons Canadian children will suffer, talent will be underdeveloped and the future of Canadian music both nationally and internationally will be jeopardized.

I join with the petitioners to call upon Parliament to consider music studies as an educational process and therefore exempt music education from the proposed national sales tax.

LEBANESE IMMIGRANTS—GOVERNMENT ASSISTANCE

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, I rise today to encourage the Government to do all it can to facilitate the immigration of those who are still understress in Lebanon. The people are having difficulties daily. We listened this morning to some reports on what is happening there. I ask the Government to do what it can to facilitate immigration.

I would also ask the Government to have an emergency debate, or call upon the UN to have an emergency debate with regard to that issue and the issue in the Middle East.

CLOSURE OF CFB LONDON

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, I have a second petition which relates to the closing of the air force base in London. Several residents have signed this petition. They ask the Government to consider that situation and to please stop the closing there.

CHANGES TO UNEMPLOYMENT INSURANCE

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, pursuant to Standing Order 36 it is my privilege to present a petition signed by people from my constituency of Malpeque. They are objecting to changes in the unemployment insurance system.

The Government is withdrawing its contribution of $2.9 billion to the unemployment insurance fund, leaving the financing to workers and employers, which means an increase in premiums for the employers and employees.

The Government is making other changes to the unemployment insurance system. These changes, along with the closure of CFB Summerside, will mean the loss of millions of dollars to the economy of Prince Edward Island.

PROPOSED NATIONAL SALES TAX—DANCE AND MUSIC LESSONS

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, I rise to present two positions today. The first one is from constituents in my riding of Prince Edward—Hastings.

They are concerned with the possible tax on fees for students of music and dance. They feel that such a tax would result in the deprivation of some students of instruction in these areas. They ask that students obtaining instruction in dance and music be exempt from the payment of such tax.

NATIONAL CHILD CARE PROGRAM

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, the other petition is from constituents of Prince Edward—Hastings as well. It concerns the cancellation of the Government's promises to proceed with a national child care program.

The petitioners have been shouldering the responsibility for a local program in their community. They have been funding child care centres through various money-making activities such as bake sales and raffles to make child care possible.

The petitioners are asking for the development of a federal policy with appropriate and on-going funding to support the Canadian child care system.

VIA RAIL SERVICE

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I rise today to present petitions on behalf of the constituents living in the London-Sarnia VIA Rail corridor. These constituents come from the Town of Strathroy, the Village of Watford, Wyoming and the Town of Petrolia and other communities within the constituency. As well, they are signed by various municipal officials.

The petitioners call upon Parliament to maintain and upgrade VIA's services across Canada and offer the Canadian people an alternative to highway congestion and airport delays.

CLOSURE OF CFB LONDON

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, in addition to those seven petitions regarding VIA Rail I have the honour to present two more petitions concerning the Canadian Forces Base in London. The petitioners call upon Parliament to rescind its recent decision to close CFB London and to reassure the people of London that CFB London will remain open.

• (1550)

VIA RAIL SERVICE

Mr. Ross Harvey (Edmonton East): Mr. Speaker, before we adjourn I am going to try one last time. I rise under Standing Order 36 with a petition duly certified by the Clerk of Petitions. It is a petition to the Government, asking that it live up to its original pledge to support VIA Rail, to abandon plans for further cuts to VIA's budget, and to provide the necessary resources to allow VIA to operate as a modern, effective transportation company rather than as a museum.

It is my last chance before the Government makes its decision. Please do consider wisely.

CLOSURE OF CFB LONDON

Mr. Rex Crawford (Kent): Mr. Speaker, I have several petitions containing several hundred names concerning the Canadian Forces Base London. The Canadian Forces Base London represents an annual direct boost to the London economy of more than $60 million and several millions more in direct funds.

Wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to rescind its recent decision to close Canadian Forces Base London, and reassure the people of London that the Canadian Forces base London will remain open.

UTILIZATION OF PORT OF CHURCHILL

Mr. Rod Murphy (Churchill): Mr. Speaker, I have the honour to present a petition on behalf of the Port of Churchill. This petition is signed by residents of Flin Flon, Brandon, Beauséjour, Stonewall and Winnipeg. They indicate that they believe the Port of Churchill

obviously has great potential because it is Canada's only inland seaport to the Arctic. We also believe it is a situation where the Minister responsible for the Wheat Board must ensure that at least 3 per cent of Canada's grain shipments on an annual basis be shipped through the Port of Churchill, and that the Government aggressively pursue additional ways to utilize this important seaport to ship exports other than grain.

CLOSURE OF CFB SUMMERSIDE

Mr. Joe McGuire (Egmont): Mr. Speaker, it is my honour and privilege today to present to the House the duly certified second and final instalment of petitions from 6,500 concerned citizens of Prince Edward Island. This petition was circulated by Mr. Frank Lewis of Radio Station CFCY, Charlottetown, and Mr. Ken Simms of the *Guardian* and *Patriot* newspapers in Charlottetown on behalf of those who wish to retain CFB Summerside as Prince Edward Island's only military base.

Because the socio-economic and emotional impact of this decision is of great concern to all islanders, they request that the Government of Canada reconsider its decision to close the Summerside base.

In addition, the fishermen of Prince Edward Island cannot afford to lose the fishery surveillance role that CFB Summerside now provides, nor can the people of P.E.I. afford to lose the search and rescue surveillance now provided.

VIA RAIL SERVICE

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I wish to table two sets of petitions today. The first petition has been certified correct according to Standing Order 36, and has been signed by 433 residents of the City of Thunder Bay and surrounding area, along with other passengers on the VIA Rail Transcontinental. They point out that the Conservative Government, like its Liberal predecessor, has refused to provide VIA the necessary support to fully realize its potential to develop the kind of national passenger rail network that Canadians want and deserve. They call upon the Government to live up to its original pledge to support VIA Rail, to abandon plans for further cuts, and to provide the necessary resources to allow VIA to operate as a modern, effective transportation company rather than a museum.

The second petition is signed by 6,839 residents of 72 communities in the Province of Saskatchewan. They basically call for the same thing, that rail passenger service continue to exist as a national network on all main routes in this country and in a manner that provides the best and most desirable travel service for the public in the most efficient way.

CHANGES TO UNEMPLOYMENT INSURANCE

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, it is my pleasure to table a petition pursuant to Standing Order 36 from residents of Kingston and the Islands and the neighbouring constituency of Hastings—Frontenac—Lennox and Addington. The petitioners request that the Government live up to its prior election commitments to increase benefits and reduce waiting periods under the Unemployment Insurance Act, and to reverse its decision reflected in Bill C-21, to reduce benefits and extend waiting periods, in accordance with the report originally proposed by the Standing Committee on Labour, Employment and Immigration, in its first report in the Second Session of the Thirty-Third Parliament. I table this pétition on behalf of those petitioners.

VIA RAIL SERVICE

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I wish to present a petition certified correct pursuant to Standing Order 36. My constituents call upon the Government to live up to its original pledge to support VIA Rail, abandon plans for further cuts to VIA's budget, and provide the necessary resources to allow VIA to operate as a modern, effective transportation company.

Furthermore, my constituents would like the Government to keep the Vancouver Island VIA Rail service operating.

CLOSURE OF CFB LONDON

Mr. Joe Fontana (London East): Mr. Speaker, it is an honour and privilege to rise again in the House, as I have on numerous occasions in the past number of weeks, to present petitions on behalf of residents of London and area in support of CFB London.

Despite the fact that the Minister of National Defence (Mr. McKnight) has indicated to the mayor and everyone else that it is no use calling or coming to see him because he does not intend to change his mind, it is important to note that the people of London and area feel that CFB

London is important to their community. We hope the Government decides to change its mind.

VIA RAIL SERVICE

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, pursuant to Standing Order 36 I am pleased to present a petition with some six pages of signatures of residents of Terrace, British Columbia in the northwest, the City of Revelstoke in my constituency of Kootenay West—Revelstoke.

The petitioners point out that the Conservative Party, prior to the election, promised that federal transportation spending priority should be reorganized to put a greater emphasis on rail passenger services. They further point out the alternating positions of the Liberal Party which, when it was in power, also took steps to cut VIA Rail's budget. The signatories call upon the Government to live up to its original pledge to support VIA Rail and to abandon plans for further cuts to the budget and provide the necessary resources to allow VIA to operate as a modern, effective transportation company.

As one who has personally used VIA Rail some 16 times as a paying customer with my family over the previous two years, I heartily endorse the feelings of the signatories to this petition.

POST-SECONDARY EDUCATION FUNDING

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, I have a petition duly certified from residents of my constituency, from the community of La Ronge and surrounding area, calling on the Government to recognize that post-secondary education is something that is theirs by treaty right. They call on the Government to honour and respect the treaties and guarantee a free and unrestricted education for all treaty status Indian people.

PROPOSED NATIONAL SALES TAX—MUSIC LESSONS EXEMPTION

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, I have a petition from people of the communities of Prince Albert, Shellbrook, Stump Lake, Parkside and other communities in my constituency who, like other petitioners, believe the proposed sales tax on music lessons and other artistic lessons will jeopardize the development of Canadian talent. They call on the Government to consider music studies an educational process and therefore exempt music lessons from the proposed sales tax.

PEOPLE'S REPUBLIC OF CHINA

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, it is my duty and honour to rise under the provisions of Standing Order 36 to present to the House a petition signed by members of the Trinity United Church in the community of Vernon, British Columbia. The citizens have been outraged at the recent massacre of innocent and defenceless students and bystanders in the City of Beijing, and horrified that the Chinese Government has deliberately fabricated falsehoods to distort the truth and deflect criticism. They call upon the Government to immediately recall the Ambassador, to break diplomatic relations with the Chinese Government, to discontinue all economic ties, and to offer assistance to Chinese people, in particular students presently in Canada, so that they may not be forced to return to face any danger in China.

• (1600)

CALL FOR WHEAT BOARD ACT TO INCLUDE OATS AND BARLEY

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I have petitions on two separate items to present to the House today. They were duly certified yesterday and this may be my last opportunity to present them. The first is from people in the northeast of my constituency. They call upon the Government to place oats and barley under the Wheat Board Act in such a way that in the future farm organizations and Parliament must be consulted before changes are made in the marketing of these products.

CALL FOR VIA RAIL TO CONTINUE AS EFFECTIVE TRANSPORTATION COMPANY

Mr. Vic Althouse (Mackenzie): Mr. Speaker, the second petition I have calls on the Government to live up to its original pledge to support VIA Rail. The petitioners therefore call upon the Government to abandon its current plans for further cuts to VIA's budget and to provide the necessary resources to allow VIA to operate as a modern, effective transportation company.

OPPOSITION TO OFFSHORE OIL EXPLORATION OFF CANADIAN PACIFIC COAST

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, I have the responsibility and duty to present two petitions from two separate organizations, but both on the same subject. They have both been certified

correct by the Clerk as to form. They both express opposition to offshore oil exploration and development in the Canadian Pacific.

The petitioners point out that the area is earthquake zone and that the waters in some of those areas are as rough as any in the world. The petitioners hope and pray that the Government will not permit any offshore exploration in those waters.

ASSURANCE SOUGHT AGAINST EXPLORATION FOR OIL AND NATURAL GAS OFF WEST COAST OF BRITISH COLUMBIA

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is a pleasure to raise a petition today on behalf of constituents from Kamloops, Denman Island, Cumberland, Black Creek, Courtney, White Rock, Vancouver and Surrey, British Columbia. The petitioners are basically asking Parliament to take steps to ensure that there is no exploration for oil and natural gas off the West Coast of British Columbia.

PROTEST CHANGES TO UNEMPLOYMENT INSURANCE ACT

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, another group of petitioners from Kamloops, British Columbia, are concerned that the Government is making very cruel changes to the Unemployment Insurance Act. A million people who would normally be receiving UI benefits will not receive benefits. The Government is saying that these funds will be used to retrain people. The petitioners say that this is an abuse of the fund and an inappropriate way to arrange for training and upgrading.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper Parliamentary Secretary to Government House Leader): Mr. Speaker, the following questions will be answered today: Nos. 67, 68, 72, 73 and 90.

[*Text*]

BUDGET

Question No. 67—**Mr. Manley:**

For each year since 1984, how many copies, including those that were rejected due to printing process errors, of (a) the Budget in Brief (b) other standard budget documents were printed and what security measures were put in place to (i) secure the copies for distribution (ii) destroy the copies that were rejected due to printing process errors?

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): I am informed by the Departments of Finance and Supply and Services as follows:

a) Budget in Brief: 1984—400,500; 1985—707,000; 1986—355,750; 1987—200,000; 1988—291,000; 1989—460,000

b) Other standard budget documents: 1984—64,500; 1984 (Economic Statement)—50,600; 1985—64,500; 1986—80,750; 1987—95,000; 1988—91,000; 1989—110,000

i) Because of Budget secrecy requirements, a wide variety of security measures exist. These include ensuring that personnel who are required to work on the preparation, production and distribution of the Budget have undergone an appropriate security screening; and that the locations where Budget materials are handled, including the printing, distribution and waste storage areas, are in a secure environment.

ii) In accordance with government security policy, all classified Budget "surplus material", including copies that are rejected due to printing process errors, is baled under guard and then held in a secure area until after the Budget is tabled (released). At that time, the now unclassified "surplus material" is turned over to a private sector waste paper disposal firm under contract with the government.

POSTAL SUBSIDY PROGRAM AND MAIL INFRASTRUCTURE PAYMENT

Question No. 68—**Mrs. Finestone:**

1. For the fiscal years 1986–87, 1987–88, and 1988–89, was any money paid under the Department of Communications Postal Subsidy Program to the Canada Post Corporation in the following categories (a) daily newspapers (b) rural weekly newspapers (c) paid circulation periodicals (d) controlled addressed periodicals (e) foreign periodicals (i) mailed in Canada (ii) mailed and printed in Canada and, if so, what amount?

2. For the fiscal years 1986–87, 1987–88, and 1988–89, was any money paid under the Publications Mail Infrastructure Payment to the Canada Post Corporation in the following categories (a) daily newspapers (b) rural weekly newspapers (c) paid circulation periodicals (d) controlled addressed periodicals (e) foreign periodicals (i) mailed in Canada (ii) mailed and printed in Canada and, if so, what amount?

Hon. Marcel Masse (Minister of Communications): Concessionary postal rates for books, magazines and newspapers represented an expenditure of $222.1 million in 1986–87 and $219.5 million in each of 1987–88 and 1988–89. For example, in 1986–87 this expenditure is divided into two elements: i) an infrastructure payment of $167.0 million paid to Canada Post through the Minister responsible for the Corporation; and ii) a cultural subsidy of $55.1 million paid to Canada Post by the Minister of Communications. In 1988, the postal

subsidy was given the new name of the Publications Distribution Assistance Program.

The table attached describes the allocation of the $222.1 million in 1986–87 over both second class (i.e., the rate codes designed for newspapers and periodicals) as well as the Publishers' Book rate and the Library Book rate. The allocation of the infrastructure payment and the cultural subsidy is prorated across the components of the Program. It should be noted that Code 5, foreign periodicals mailed in Canada, is not a subsidized rate, and that both Codes 5 and 6 have been closed to new entrants since 1984.

BENEFICIARIES OF THE PUBLICATIONS DISTRIBUTION ASSISTANCE PROGRAM (PDAP)

CODE		TITLES (no.)	EXAMPLES	VOLUME[1] (000 000)	REVENUE FOREGONE[1] (000 000 $)	% OF THE SUBSIDY	AVERAGE RATE C
Code–1	(dailies)	145	Guardian and Patriot Sherbrooke Record	32.9	12.6	5.7	12.0
Code–2	(rural weeklies)	434	Canora Courier L'Echo de la Lièvre	42.7	11.2	5.0	5.5[4]
Code–3	(subscription periodicals)	671	Maclean's Canadian Geographic Vie des Arts	296.0	90.6	40.8	5.5
Code–4	(free, "controlled circulation" periodicals)	2 790	Canadian Nurse Oilweek Le Producteur agricole	114.2	28.3	12.7	12.7
Code–5	(foreign periodicals mailed in Canada)	304	National Geographic Magazine Paris Match	48.9			42.3
Code–6	(foreign periodicals printed and mailed in Canada)	26	Time Watch Tower	38.5	9.8	4.4	6.6
Other[2]	Book Publishers[3] & Distributors	4 000	Grolier	6.2	0.8	0.4	23.0
				26.4	66.8	30.1	72.6
			Prospero Book Store				
	Public Libraries		St. John's Regional Library	0.6	1.9	0.8	56.0
			Deep River Library				
	TOTAL	8 370		606.4	222.1[5]	100.0	

[1] 1986–1987 Data
[2] Interim mailings subject to final approval of eligibility
[3] Registered since January 1, 1989
[4] Paid portion only
[5] Does not total 222.1 due to rounding

FILES ON AMBASSADOR EGERTON HERBERT NORMAN

Question No. 72—**Mr. Kilgour:**

Does the government have in its possession files on the nature of the relationship between Herbert Norman and any of the state security organizations of the Soviet Union or any other Warsaw Pact member and, if so, is the government prepared to table them and, if so, on what date?

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): The Government wishes neither to confirm nor deny the facts or allegations mentioned in this Question based on the established tradition adhered to by all Governments, not to comment directly on the details of specific security matters and consistent with provisions of section 13.1, 15.1, 16.1(c) and 19 of the *Access to Information Act*.

CANADA FILM YEAR INC.

Question No. 73—**Mr. Mills:**

1. For each year since 1987, what was the operating budget of Canada Film Year Inc. and from what source did it receive its funds?

2. For 1989–90, what programs did the organization intend to fund and what programs is it currently funding?

3. Who are the members of the Board of the organization?

4. For each year since 1987, did the government provide funding to the organization and, if so, in what amount and for what purpose?

Hon. Marcel Masse (Minister of Communications): 1. Canada Film Year was established to bring Canadians into contact with Canadian films and stars, and to heighten the image Canadians have of Canadian films. From the outset, it was agreed that such a project must be mounted and maintained by the industry itself, and not be government-led. The role of government was to be limited to a supporting one. Industry representatives assumed the development of, and took the active lead in, the Film Year.

Originally it had been intended that the Film Year be jointly financed through a combination of private and public sector funding. However, the private sector's contribution has been less than anticipated. Futhermore, the industry was unsuccessful in securing corporate sponsorship. Telefilm Canada therefore remained the only source of funding for the CFY. There was no operating budget as such established before the decision was taken to discontinue the activities of the Canada Film Year; however, in September 1988, Telefilm Canada committed $2.5 million over three years to the CFY initiative. The Academy of Canadian Cinema and Television was selected as the body which would administer CFY funds, which were committed by Telefilm according to the following schedule:

1988/89	$350,000
1989/90	$1,400,000
1990/91	$750,000
Total	$2,500,000

2. On December 19, 1988 the Board allocated $244,200 for the celebrations of various organizations having anniversaries in 1989. These events were to constitute the launch of CFY. Consequently, la *Cinémathèque québécoise* received $64,200 for four projects (*La Nouvelle Vague*, touring of the Unknown McLaren and translation and updating of "The Shape of Rage"); the Academy of Canadian Cinema and Television received $100,000 for "Spotlights" television and radio spots; the National Film Board received $50,000 to assist in touring the seminar entitled "Tribute to the Documentary" and the Banff Television Festival received $30,000 for a tribute to the best of the Banff Festival and the best of the NFB to be shown in local Banff theatres.

These funds were to be disbursed on a set schedule. The initial contribution of 20 per cent of these commitments was provided through the funding allocated to the Academy by Telefilm Canada. Telefilm Canada has agreed to honour the commitments made to the organizations celebrating their anniversaries in 1989.

3. The Board of Directors of Canada Film Year consists of the following industry representatives:

Louise Baillargeon (Association des producteurs de films et de vidéo du Québec)
Joseph Beaubien (J.F.B. Productions)
Aimée Danis (Les Productions du verseau)
Garth Drabinsky (Cinéplex Odeon)
Hannah Fisher (Film Consultant)
Roger Frappier (Max Films)
Harold Greenberg (Astral Bellevue Pathé)
Sam Jephcott (Canadian Film and Television Assoation)
Norman Jewison (Yorkton Productions)
Frank Kettner (Motion Picture Association of Canada)
Stéphane Leclerc (La Cinémathèque québécoise)
Serge Losique (Festival des films du monde)
Danny Weinsweig (National Association of Canada Distributors)
Jacques Matte (Festival du cinéma international)
Peter Mortimer (Association of Canadian Film and Television Producers)
David Patterson (Cinéplex Odeon)
Ken Pittman (Red Ochre Productions)

Stephen Roth (Cinexus)
Walter Senior (Famous Players)
Allan Stein (Stein/MacLean Productions)
Helga Stephenson (Festival of Festivals)

There was one vacancy on the Board as a result of the resignation of Peter Simpson. René Malo also resigned, but was replaced by Danny Weinsweig.

4. In light of Telefilm's mandate with regard to the funding of the Film Year, the Corporation was responsible for the expenses associated with the developmental phase of the CFY. Telefilm therefore paid $87,230 on behalf of the Film Year initiative for expenses incurred prior to the formation of the organizing committee.

Subsequent to the selection of the Academy of Cinema and Television as the agency responsible for the administration of the Year, Telefilm Canada provided the Academy the following sums:

1988	$123,053
1989	$824,356
Total	$947,409

Of this amount, $600,000 has been returned to Telefilm, $176,448 was disbursed on the above-mentioned project launches, administration, travel, equipment costs, office expenses, etc. The Academy will shortly be returning the bulk of the outstanding funds to Telefilm, aside from a small portion which will be held back for winding-down costs. The physical assets (office equipment) of the Film Year will be purchased by the Academy.

ROUTINE OF CARS FROM CHAPAIS AND FARIBAULT BY CNR

Question No. 90—**Mr. St-Julien:**

From November 25, 1988 to December 15, 1988, did the Canadian National Railway Company, as a result of landslides on the St-Maurice subdivision, route ore-carrying cars or freight cars from the Chapais and Faribault subdivisions via Ontario Northland to the towns of Rouyn-Noranda, Val d'Or, Senneterre, Barraute, Lebel-sur-Quévillon and Matagami and, if so, what was the (a) distance covered by these trains to reach Abitibi-Témiscamingue (b) number of trains sent to Abitibi-Témiscamingue during the interruption of service on the St-Maurice subdivision (c) number of cars in these trains carrying hazardous materials (d) number of days required to effect such transportation?

Hon. Benoît Bouchard (Minister of Transport): The Canadian National Railway Company advises as follows:

During the landslides, when traffic was interrupted on the St-Maurice subdivision for 8 days, no traffic originating from the Chapais and Faribault subdivision was diverted via Ontario Northland (ONR).

[*English*]

The Acting Speaker (Mr. Paproski): The questions as enumerated by the Parliamentary Secretary have been answered.

* * *

STARRED QUESTION

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, would you be so kind as to call Starred Question Nos. 28, 69, 70, 71 and 82? We would be prepared to table the responses to those. Due to the number of Starred Questions being answered, I ask that they be printed in *Hansard* as if read.

[*Text*]

VIDEO TAPE OF PRIME MINISTER'S BIRTHDAY

*Question No. 28—**Mr. Keyes:**

Was a video tape made in honour of the Prime Minister's fiftieth birthday and, if so (a) was the cost $6,000 or more (including directing and editing) (b) was the cost borne by (i) the Prime Minister's Office (ii) the Privy Council Office (iii) the public purse, through any other department or agency (iv) private persons or organizations and, if so, will the Prime Minister make public their name or names?

Mr. Len Gustafson (Parliamentary Secretary to the Prime Minister): Yes, a video tape was made in honour of the Prime Minister's fiftieth birthday.

a) No

b) i) No ii) No iii) No iv) The cost was borne by the Progressive Conservative Party of Canada.

INVESTIGATION OF AMBASSADOR EGERTON HERBERT NORMAN

*Question No. 69—**Mr. Kilgour:**

Is the government aware of reasons which led to the re-opening in 1964 of the investigation of Ambassador Egerton Herbert Norman, after the House had been assured in the spring of 1957 that his loyalty to Canada was not open to question and, if so, is the government prepared to table the pertinent documents and, if so, on what date?

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): The Government wishes neither to confirm nor deny the facts or allegations mentioned in this Question based on the established tradition adhered to by all Governments, not to comment directly on the details of specific security matters and consistent with provisions of section 13.1, 15.1, 16.1(c) and 19 of the *Access to Information Act*.

INVESTIGATION OF AMBASSADOR EGERTON HERBERT NORMAN

*Question No. 70—**Mr. Kilgour:**

1. During World War II did the government sanction any contacts made by Ambassador Egerton Herbert Norman in Tokyo with the Soviet spy, Victor Sorge?

2. Did Norman report to the government (a) these contacts with Sorge (b) contacts with the Soviet spy Kim Philby in Egypt in 1957 and, if so, is the government prepared to table the pertinent documents and, if so, on what date?

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)):*Part 1 and 2*:

The Government wishes neither to confirm nor deny the facts or allegations mentioned in this Question based on the established tradition adhered to by all Governments, not to comment directly on the details of specific security matters and consistent with provisions of section 13.1, 15.1, 16.1(c) and 19 of the *Access to Information Act*.

TRANSCRIPTS OF ELIZABETH BENTLEY'S TESTIMONY

*Question No. 71—**Mr. Kilgour:**

Does the government have in its possession copies of the transcripts of Elizabeth Bentley's testimony of August 14, 1951 before the United States Congress together with covering material from the United States government, internal government responses to transmittals and government responses to the United States government and, if so, is the government prepared to table them and, if so, on what date?

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): No.

INTERNATIONAL BIDDING ON GOVERNMENT SUPPLY CONTRACTS

*Question No. 82—**Mr. Jordan:**

1. Is there a figure which triggers international bidding on government supply contracts and, if so (a) what is it (b) how is it determined?

2. Under the Free Trade Agreement, at whose intervention and at what interval is the figure re-negotiated?

Hon. John C. Crosbie (Minister for International Trade): *International Bidding on Government Supply Contracts*

1. Contracts for purchases of goods by Canadian Government departments and agencies which are covered by the *GATT Agreement on Government Procurement* (usually referred to as the "Code") are open to competition among signatories of the Code where the value of the contract is $213,000 or more. The threshold for coverage is the result of agreement among the Code signatories and may only be adjusted by renegotiation pursuant to Article IX.6.

2. Contracts for purchases of goods by the same departments and agencies covered by the GATT Code are also covered by the Canada-U.S. Free Trade Agreement (FTA). The FTA threshold is $31,000. Contracts for eligible goods worth more than this amount and less than $213,000 are covered by the FTA. There is no provision in the FTA specifically requiring renegotiation of the threshold. Further bilateral negotiations on the FTA procurement provisions in general are, however, called for in Article 1307, but these will not take place until the completion of the current GATT round of multilateral trade negotiations.

[*English*]

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

The Acting Speaker (Mr. Paproski): Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

Mr. Cooper: There have been discussions amongst the Parties, Mr. Speaker, and I think you will find consent for the calling of Notices of Motions for the Production of Papers.

The Acting Speaker (Mr. Paproski): Is that agreed?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, would you be so kind as to call Notices of Motions for the Production of Papers, P-6, P-7 and P-8 in the name of the Hon. Member for Edmonton Southeast (Mr. Kilgour), and

Nos. P–10 and P–11 in the name of the Hon. Member for Burnaby—Kingsway (Mr. Robinson).

Motion No. P–6

That an humble Address be presented to Her Excellency praying that she will cause to be laid before this House copies of Herbert Norman's correspondence relating to contacts or meetings with the Soviet spy Richard Sorge in Japan in 1940 and 1941 and of Herbert Norman's correspondence relating to contacts or meetings with the Soviet spy Kim Philby in Egypt in 1957.

Motion No. P–7

That an humble Address be presented to Her Excellency praying that she will cause to be laid before this House copies of the transcripts of Elizabeth Bentley's testimony of August 14, 1951 before the United States Congress together with covering material from the United States government, internal government responses to transmittals and government responses to the United States government.

Motion No. P–8

That an humble Address be presented to Her Excellency praying that she will cause to be laid before this House copies of the government's files on the nature of the relationship between Herbert Norman and any of the state security organizations of the Soviet Union or any other Warsaw Pact member.

Motion No. P–10

That an Humble Address be presented to Her Excellency praying that she will cause to be laid before this House copies of all proposals considered at the Vienna Follow–Up Meeting of the Conference on Security and Cooperation in Europe from August 1, 1987 to January 19, 1989.

Motion No. P–11

That an Humble Address be presented to Her Excellency praying that she will cause to be laid before this House copies of all documents and proposals considered at the London Information Forum, the first full meeting held as a follow–up to the Vienna Meeting of the Conference on Security and Cooperation in Europe, from April 18 to May 12, 1989 in London, England.

Mr. Cooper: Mr. Speaker, with regard to Motions P–6, P–7 and P–8, the motions proposed by the Hon. Member are unacceptable for the following reasons: First, the three motions made by the Hon. Member relate primarily to the security of Canada which is the responsibility of the Solicitor General whose reply on the Herbert Norman case is provided in response to Question Nos *69, *70, *71 and *72 answered this day.

Second, the Government's position on the Norman case was provided in response to a question during proceedings on adjournment motion on May 28, 1987.

Third, as indicated by the Secretary of State for External Affairs (Mr. Clark) on the matter on April 10, 1987, Herbert Norman was employed by the Department of External Affairs and all information that is permitted under the privacy and freedom of information legislation has been made available. Fourth, External Affairs departmental officials have in the past month re–examined the material reviewed under Access to Information requests received to date. There is no evidence to indicate that Herbert Norman was an intelligence agent of the Soviet Union or any other foreign power.

Fifth, in addition, departmental officials have been instructed to re–affirm that all of the department's documents on Herbert Norman have in fact been collected and reviewed, in other words, to re–affirm that relevant material is not lying unfound on some file in the Archives.

Sixth and finally, this re–examination of the Department's files will be for the entire period of Norman's service with the Department. It is a major undertaking in terms of resources and will take some time. It is hoped that this effort will ensure that history is provided with all possible documents related to Norman's services with the Department.

I would therefore ask the Member to withdraw his motion.

The Acting Speaker (Mr. Paproski): I have a little difficulty with P–6, P–7 and P–8 because the Hon. Member is not in the Chamber. If one of his colleagues would like to transfer them for debate we could do that.

Mr. Cooper: Can I do that, Mr. Speaker?

The Acting Speaker (Mr. Paproski): Yes.

Mr. Cooper: Then I ask that they be transferred for debate.

The Acting Speaker (Mr. Paproski): P–6, P–7 and P–8 transferred for debate.

The Hon. Member for Burnaby Kingsway also was not in the Chamber.

Mr. Cooper: Mr. Speaker, I am prepared to report the answers to the House and then maybe one of the Members of the New Democratic Party may wish to respond.

This answer applies to the remaining questions, P–10 and P–11. The motion proposed by the Hon. Member is unacceptable for the following reasons: One, the CSCE is an inter–governmental process which always operates under the procedural rules of consensus. Two, lacking a formal consensus on the part of all 35 CSCE countries to do so, the Canadian Government is not in a position to release the formal proposals submitted at meetings such as the London Information Forum. I would therefore ask the Member to withdraw his motion.

The Acting Speaker (Mr. Paproski): We have the same problem here. Would one of his colleagues like to transfer them for debate? The Hon. Member for Kamloops (Mr. Riis), transferred for debate?

Mr. Riis: Yes.

The Acting Speaker (Mr. Paproski): P–10 and P–11 transferred for debate.

Mr. Cooper: Mr. Speaker, I would ask that other Notices of Motions for the Production of Papers be allowed to stand.

The Acting Speaker (Mr. Paproski): Shall the remaining Notices of Motions stand?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): Shall the remaining questions stand?

Some Hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Drummond (Mr. Guilbault)—Royal Canadian Mounted Police—War against drugs; the Hon. Member for Surrey North (Mr. Karpoff)—Housing—Personal housing costs—Minister's position; the Hon. Member for the Battlefords—Meadow Lake ((Mr. Taylor)—Canada Post Corporation—remarks of constituent—Minister's position/public relations activities.

Supply

GOVERNMENT ORDERS

[*English*]

SUPPLY

CONCURRENCE IN SUPPLEMENTARY ESTIMATES (A)

Hon. Robert de Cotret (President of the Treasury Board) moved:

That Supplementary Estimates (A) for the fiscal year ending March 31, 1990, laid upon the Table Thursday, June 15, 1989, be concurred in.

Motion agreed to.

Mr. de Cotret thereupon moved that Bill C–35, for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1990 be read the first time and printed.

Motion agreed to and Bill read the first time and printed.

Mr. de Cotret thereupon moved that Bill C–35, for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1990, be read the second time and referred to Committee of the Whole.

• (1610)

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, I have a few brief words on second reading. I would like to respond to some of the questions that have been given to us by Members of the New Democratic Party.

First, people will be aware that some very serious problems have been suffered by the grain business in the last three years. Problems in the first two years were as a result of some pretty drastic falls in grain prices internationally and the Government was in a position to respond with payments based on price. In the 1988 growing season, we suffered some pretty severe weather problems. If you look at the records, the weather during 1988 for parts of the Prairies was as bad or worse than some of the worst years during the 1930s. As a result, there was a very poor crop. If you look at where there were some crops in the Prairies such as the northern part of the Prairies and parts of Ontario and Quebec, they had, in some cases, average crops. So when you see the

fall in production, you can realize that there were people that had very little if any crop.

The Government responded by putting in place a drought program based on two criteria: that the money be targeted and directed at the areas that had suffered the most. As I said, there were areas in the Prairies that actually had an average or even a little above average crop.

Second, that it be crop specific, and we did that. The result is what we see here today. I should also point out that this is the third part of the Government's response to the drought situation of 1988. We responded with a water program to assist the livestock producers in the spring of 1988. Second, we responded almost a year ago with a program to assist and encourage producers to produce feed for livestock. Third, we responded with the this drought program that we are here putting the appropriations through for today.

All along we maintained consultations with the producers themselves. We also maintained good consultations with the provinces. We believe very strongly that this type of program, as it has been in the past, needs to be a cost-sharing program. We have worked with the provinces in both developing the program through their crop insurance corporations and we are presently working with them to work out a satisfactory arrangement as far as the cost-sharing is concerned.

We need to mention the Minister of Finance (Mr. Wilson). He has been very good to Canadian agriculture in some very difficult times. The President of the Treasury Board (Mr. de Cotret) is here, and the Treasury Board has been very good in terms of arranging for cashflow. We are not able to respond to these types of situations as a Government without the co-operation of the Minister of Finance (Mr. Wilson) and the President of the Treasury Board. We want to say publicly that we appreciate the kind of support that we have had.

I have some questions that have been given to me by some of the Members opposite. I believe it is appropriate at this time if I refer to them. The Hon. Member for Prince Albert—Churchill River (Mr. Funk) I notice is in the House. He is concerned that the rules require that an appeal may only be launched by a rural municipality or township on behalf of all landholders within the township. He wants to know why we cannot do this on an individual basis.

There are two reasons for that. First, the recommendation that we receive from producers or producer organizations such as the Western Wheat Growers, the Saskatchewan Wheat Pool, the Ontario Corn-Growers Association, plus the provincial Governments all recommended that we do not run the program on an individual basis, that we run it on an average area basis. The reason for this is quite simple. There is no question that weather was the major problem, but within any region you are going to get variations in the yield based on the amount of fertilizer and the amount of chemical an individual farmer would use. If we went with individual coverage or individual targeting, then you are not giving anyone any credit for the type of management practices that they use themselves. Whereas if you go with an average for an area, you at least take some of those considerations partly into consequence.

Second, while it would be possible to do it on an individual basis, the Member is absolutely correct, administratively it would make it much more cumbersome and it would see the program delayed. Therefore for those two reasons, it was the recommendation of the individual farm groups and the farmers themselves that we use an average area for the reasons outlined, and second, if you look at the administration of it, then you can see that with the number of producers involved that it would lead to some pretty lengthy appeal processes.

I should say something about the appeal process. We are calling them review committees. We have them set up in each of the four provinces. Quebec is being handled a little differently. Of the five provinces, Quebec's money is being channelled through their Crop Insurance Corporation. But there are review committees set up now in the three western provinces and in Ontario to look at the data to see how it looks and how the individual review committees relate the data that we have collected from the Crop Insurance Corporation. Therefore that essentially is the reason. We did consider it and found, for practical reasons, that it would be difficult.

Second, looking at the principles behind it, decided that it would be better to go on an area basis. I should say the area now is a township, not a municipality. So it is a relatively small area. We feel very strongly that once the

overall data is in that most of the producers' concerns over the initial maps will be addressed in the final data.

The second question I have is from the Member for Mackenzie (Mr. Althouse) who is concerned, to read at least part of the question, that, "Saskatchewan is the largest recipient of drought aid with more than one-half of the moneys going to the province. Saskatchewan has crop insurance data showing average long-term yield for each quarter section. Why did the Government not take advantage of this existing data to speed the delivery of the drought program?" He goes on to say, "The New Democrats propose such a solution whereby crop insurance holders would have received their extra payment immediately leaving only uninsured producers to apply for assistance. Why that?"

I believe I answered the first part of that question in reply to the Hon. Member for Prince Albert—Churchill River. While it would have been possible, that was not the recommendation of the farmers and the provincial Governments for practical reasons.

As far as the second part of the question, it is a judgment call. It probably would have been easier to make payments to just the people who had crop insurance, but effectively you would be penalizing people who did not have crop insurance. You will find that the person who had crop insurance would get the drought payment; whereas the person who did not have crop insurance would not be eligible for either of them until later on.

Therefore we decided on that basis that we would try to treat everybody the same and make all the payments at the same time.

Mr. Althouse: And let everybody wait.

Mr. Mayer: The Hon. Member says that you make everybody wait. That may in fact be true, but if you are going to start splitting up the payments, some people get them sooner and some people get them later on. You will find that the overall process is delayed. When you see what is happening—I think I am relatively accurate in these numbers—only about 30 per cent of producers in Ontario are covered by crop insurance. Whereas if you go to Saskatchewan it is 70 per cent.

Therefore you are going to find some very big discrepancies across the country on the number of producers that would have received payment. So we decided that this program, while it is based on crop insurance numbers and data that we received from crop insurance, that we would use that data to develop the program so that everybody got treated the same in terms of when the payment was made and in terms of the amount of money that was paid.

The third question I have is from the Hon. Member for Moose Jaw—Lake Centre (Mr. Laporte). "The announcement on November 10 was based on a $45 an acre payment being received in the case of wheat. Will that still be a realistic expectation for grain producers? How many farmers will be receiving the maximum amount?" How many farmers will be receiving the maximum amount? At the time we announced that the program that for producers—and this was a prairie number the Ontario number may be different than that—for those on the Prairies in a high yield area such as south of Winnipeg, the Red River Valley or in the Regina Plains or Rosetown, Kindersley that consistently have yeilds and high crop insurance coverage with a total loss of crop will have a payment in the area of $40 to $45 a tonne. That was an estimate, and that estimate still stands.

• (1620)

In response to how many farmers would be receiving the maximum amount, we will not know that until we have everybody's applications and are able to add up to see how many people have that maximum amount, whatever it is. But the estimate still stand, but it stands for people who have been in the highest yielding areas which have received little or no moisture have experienced high temperatures and therefore basically suffered a total loss of crop.

The fourth question I have is again from the Hon. Member from Prince Albert—Churchill River (Mr. Funk). The Special Canadian Grains Program's computer system produced an overpayment situation for many producers. Will this overpayment be deducted from the drought cheques and what about overpayments from the Western Grain Stabilization Program?

The answer to the first question is yes, we will be deducting any overpayments made under the Special Canadian Grains Program. From this program we will not be deducting from Grain Stabilization. I forget the number precisely but when you look at the amount of money that has been repaid under the Special Canadian Grains, I think we are down now to about two-tenths of 1 per cent of the number of producers who are still in an

overpayment position. It is a very small number, but that amount on the Special Grains will be deducted.

In terms of Western Grain Stabilization, we do not have the ability to cross-reference. It would be a very difficult job to do in terms of deducting an overpayment. The decision was made not to do it.

While there was an overpayment made as a result of the 1987-88 Western Grain Stabilization Act payment, it amounts I think to less than a quarter of 1 per cent of all of the money the program has paid out in the last four years. Of the amount of money that was overpaid, over half has been sent back by farmers and 52 per cent of the money has been received and 58 per cent of the farmers have returned their money. So it is over half in both cases. We are deducting the overpayment under Special Canadian Grains. We are not deducting the overpayment under Western Grain Stabilization.

The fifth question from the Hon. Member for Moose Jaw—Lake Centre (Mr. Laporte) is what federal-provincial arrangements have been made to fund future drought disaster programs? For example, we know that Quebec will be applying its drought money to crop insurance to lower producers' premiums. What arrangements are being made with each of the other provinces? The Member is correct, Quebec is using its share of the drought assistance to reduce the premiums in its crop insurance over the next three years. That is the choice the Quebec Government made. It was supported by UPA and that is how the matter is being handled in Quebec.

Second, we are working with the provinces as far as improving crop insurance, to come up with a better crop insurance program. The Minister of Agriculture (Mr. Mazankowski) has indicated that he is prepared to open the Act to amend crop insurance so that we have more options. Producers ask us if we would like to go from, for instance, 80 per cent to 90 per cent coverage. We respond that there is going to be a considerable increase in premium. The producers say "fine, give us the option". We cannot do that unless we open the Act. We are going through consultations with the provinces now and for almost a year we have had discussions on the over-all safety net system in this country as far as grain is concerned. We have had quite good discussions with the industry and the provinces and that process is under way. While we do not have anything specific, these kinds of things take time. We are in the process as far as making crop insurance more responsive. Hopefully if we get into a situation like this again we will be in a better position to use crop insurance as a vehicle with more producers involved.

It is pretty tough in a province like Ontario to use crop insurance as a drought delivery program when—I think I am right—certainly less than half of the producers in the province take out crop insurance. If we can get a better crop insurance program with more producers enrolled we will be in a better position to use crop insurance in the future. I think that is the aim of of provincial Governments, producers and the federal Government to have these programs more predictable.

Farmers tell us, I think it is a good observation, that given the same amount of money, if we know about it ahead of time, can plan a budget that same amount of money will be more useful in our budgeting process than the same amount of money on an ad hoc basis without knowing far enough ahead exactly what it is. That is the direction in which we want to go and I believe everybody agrees with that.

The next question I have is from the Hon. Member for Mackenzie (Mr. Althouse). Will the Minister assure farmers that there will be no requirement for part of the drought payment to be used to finance insurance for future years as was the case with livestock. I am not so sure that the premise of the question is correct, Mr. Speaker. There was a requirement that if you are to be eligible for the second half of the livestock feed part of the drought assistance you have to join crop insurance. That was just for one year. I understand what the Member is saying. There was a requirement under the livestock assistance side, the feed security side, of the

drought program for producers to enrol. But there is no such requirement on the grains side of this drought payment. There is nothing there.

As far as asking people to sign up for one year, it does not obligate producers to do anything more than join for the present year which is the 1989 growing season or the 1989–90 crop year.

The last question I have is from the Hon. Member for Saskatoon—Humboldt (Mr. Hovdebo). Provincial agriculture Ministers say that they were not consulted prior to the announcement of the drought program. They have since stated clearly that they believe this was a federal program. Why did the Government place this expenditure before the House as two separate estimates when one would have sufficed? Actually the Member has two questions.

First, this has been an ongoing program with the provinces. We wrote to the provinces in the early part of October indicating that we expected the drought program we were developing to be cost-shared. We expected to have co-operation from the provinces in developing it. We have had good co-operation and we are still working with the provinces in terms of cost-sharing. I believe we will be able to reach an agreement that is fair for all of us.

We said again on November 10 when we announced the program—just with regard to that—that "consultations are under way with the provinces regarding program design and cost-sharing". We have said right from the beginning that this is the third stage of the over-all response by the Government to this situation.

I mention the water program, the feed assistance program and drought assistance program as far as grain is concerned. We have said from the beginning and say again that this is a cost-shared program. We believe we will reach an agreement with the provinces to share those costs.

Why did the Government place this expenditure before the House as two separate estimates when one would have sufficed? It is a choice by people at Treasury Board that this was the proper way to proceed. The original estimate of money was there in order that we could cash flow the amount of money we estimated under the initial payment. It comes to a little more than $850 million if you do the arithmetic. There is some money in there for two-price wheat and a couple of other programs. This is the way the Government cash manages. It in no way changes anything from the announcement we made back on November 10 or anything we have said heretofore as far as this program is concerned. This Bill does not in any way indicate that the federal Government does not expect the provinces to contribute. It simply means that the federal Government is putting the money in place so that the program can pay the full amount of money. We expect cheques to begin going in the mail at the end of July so the full amount of money can flow depending on whatever financial arrangements we can make with the provinces on how they will participate.

• (1630)

That responds to the questions, Mr. Speaker. I will just leave a little bit more information in terms of estimates. We estimate that somewhere between $20 million and $30 million will be going to the Province of Quebec; $171 million to the Province of Manitoba; $417 million to the Province of Saskatchewan; about $150 million to the Province of Ontario and about $80 million to Alberta. That total will come, I think, fairly close to $850 million.

The initial payment which we made, we estimated that it would have been $260 million to $280 million, or even up to $300 million. We got out $218 million, for a couple of reasons. The people who applied had smaller acreages than we originally anticipated. For some reason, we still estimate that there are about 4,000 producers out there who would have been eligible had they sent in their application forms. There were less people who applied than we would have thought, based on our maps and based on the amount of applications which were sent out as a result of the phone calls and the requests for applications. There was more money available to be sent out, if producers had sent in their applications forms.

The process is well under way. We have had good co-operation with the municipalities and the district agricultural offices, the AGREP offices. We will be using them in terms of how the review process is going to work. I believe very strongly that when this program is all over, it is going to be seen to have been a very good program. We will have been able to accomplish the two objectives which we have stated, and that is to target the amount of assistance directly at producers who suffered the biggest loss.

Second, we will be doing it on the basis of being crop-specific so that we do not pay a person the same for a bushel or for an acre of oats as we do for an acre of corn in Ontario, or for an acre of canola, as we do for an acre of some of the horticultural crops in Ontario.

I am pleased to be here this afternoon putting this appropriations Bill through so that the money is there in order that we can meet the timeframe and the targets which we set out in this program so that producers will be in a position to receive their share of this program when the cheques start to go in the mail at the end of July.

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I am relieved to be on my feet today speaking on this Bill and speaking in support of it. The rural community across Canada was very, very disappointed, needless to say, when the Estimates were tabled in the House of Commons a couple of months ago. We were relieved that this money will be finally coming out to them. Even though it willbe the end of July, we are sure it will be much appreciated.

I had the opportunity to be in Saskatoon yesterday and I was looking at the crops and was very much relieved that they appear in very good shape. They have had adequate rainfall this year. I was talking to many people from across the three Prairie provinces and they are very optimistic as far as their crop prospects are concerned.

In terms of Ontario, we too have excellent crop prospects this year, unlike last year when we suffered very severe drought. We will have an excellent crop of wheat, hay, corn, soya beans.

I want to draw this point to the Minister's attention, that in Kent and Essex Counties, which are not in my constituency, they have had so much rain that they have not been able to get their crops planted this year.

I hope that the Minister will remember the precedent that the previous administration set back in 1984 when a similar situation prevailed in northeastern Saskatchewan. We actually had a drought across the southern part of the Prairie provinces. Yet, northeastern Saskatchewan had a severe weather problem and excess rain. They were not able to get their crops planted. Because of that fact alone, they could not plant their crops, and they did not qualify for crop insurance.

I hope that the Minister will keep an open mind on the situation in southwestern Ontario for these people who have not been able to plant their crops and consequently do not qualify for crop insurance. If they need help later in the summer, will the Government consider this and give them whatever help they can.

I want to also point out that I appreciated my colleagues here in the House of Commons on this side of the House keeping us abreast of what is happening in terms of the areas that are missed. We all know that rain does not start or stop at a township line or a county line, but it goes across one boundary into the next.

I want to thank my colleagues here for keeping us abreast of what is happening in the various areas, as well as the producers themselves. In my particular constituency of Lambton—Middlesex, we had a tremendous response when I asked them if they would more closely identify those areas that are left out and did not show up on the original maps.

Part of the reason for this is perhaps that if a couple of concessions in a township had adequate rainfall, and in some cases they did, and had reasonably good crops, and the rest of the township was severely affected by the drought, the average of the total township would not bean adequate indication of some of the hardships being faced by those farmers.

There were several who assisted us in this, members of the Federation of Agriculture, both in Lambton and Middlesex counties and people in the Soya Bean Growers Marketing Board. They went up and down the concessions and took statements from all of the farmers to identify those areas that were most severely affected and that were not included in the maps.

I refer here in particular to Metcalfe township, Mosa township and part of Ekford. Also, in the northern end of the Middlesex County, we had part of Adelaide and West Williams.

Going across into Lambton, as strange as it may seem, we had a terrific rain there on July 16 last year. We had between nine inches and ten inches in a matter of couple of hours. That was even more devastating than the drought because it came in such a hurry and created flash floods that packed the ground to the extent that the crops never did recover, because it turned very, very dry for the rest of the summer. I have to pay a special tribute to Ron Huctwith and the people in the central and Warwicktownship for gathering together the information on this particular instance, who were able to make a

submission to the Associate Deputy Minister who is in charge of this program.

Then of course, over in the boundary line between Sarnia—Lambton and Lambton—Middlesex and the boundary line of MooreTownship and Enniskillen Township, my colleague for Sarnia—Lambton (Mr. James) and I both put forward information as to the area that was missed in that particular area adjacent to Sombra Township that qualified for both corn and soya beans. Yet, right across the town lines they were left out because of the process which was used.

I hope that these areas will be looked at, whether it is by the review committee or by the Minister when the time comes, to make sure that those farmers were not disqualified from this program.

I am also pleased that the assistance is going out to something like 130,000 producers across Canada. Assistance is going out at a time when they have a lot of crop input costs to pay for. It will be prior to the harvest of western Canada but during the wheat harvest in southwestern Ontario.

I hope that from the lessons learned in the administration of this one that we will be able to cope with such an emergency better in the future. I realize that there is a tremendous backlog of people who did not get application forms, and they are very worried, but I have to give credit to the Associate Deputy Minister for trying to put together a program which will meet the needs of those most severely affected.

I do not want to hold up the passage of this Bill. We on this side certainly support it. We want to get this money out in the hands of the farmers as quickly as possible. With those few comments, we will certainly be supporting the Bill on this side of the House.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I rise to speak on this Bill to provide approximately $850 million for the drought assistance program. You will remember, Mr. Speaker, that it was during the election that this program was announced. There was a whole summer when we sat looking at the prospect of drought. My colleagues and I spent the summer preparing a drought program which we introduced in early September or late August, whereby we proposed a method of payment and the kind of program which could be used to provide some relief for farmers right across the country who were suffering from the drought.

• (1640)

As farmers in Saskatchewan certainly recall, though the program was not as well discussed in the other provinces, the program would have cost something in the neighbourhood of $1.4 billion. In provinces where average crop insurance coverage is 70 per cent, as in the case of Saskatchewan, there would have been a top-up of an additional 30 per cent under this program, and that 30 per cent of average yield would have been provided whether the farmer had crop insurance or not. Those who had crop insurance, because they would have already been inspected and received cheques, would simply have the crop insurance agency in the province issue the additional 30 per cent and their cases would have been completed.

We recognized that that program would have paid crop insurance holders more rapidly than those who had not taken the precaution of having crop insurance, but we justified that by saying that it was in the best interests of all farmers in Canada to participate in crop insurance and we should not provide the kind of program that would discourage people from participating in crop insurance. Paying early, as soon as possible after the crop insurance inspection was completed, we submitted, would have encouraged participation in crop insurance programs.

At the moment, in Saskatchewan somewhere between 70 and 75 per cent participate in crop insurance. Saskatchewan was also the province that had suffered the most damage. Over half of the money in the program would have gone to Saskatchewan so half or little better than half of the administrative problems would have been solved by adopting that program. It would have paid out on a fairer and more equitable basis. In the event that most of a township save a few sections in one corner got rain, that producer in the corner that did not get rain would not be left without coverage, though the program the Government eventually proposed did leave him without coverage.

The election campaign proceeded. After it had been going on for about five or six weeks, I suspect the Government conducted a poll and found it was having some difficulty with its lack of a policy for drought relief. On November 10, about two weeks before the election date, the Government came out with an announcement of approximately $850 million for the program we are debating today. Government Members attempted to sell the program by saying that it was a Government program that had been well thought out, there had been consultations and that the Government had been working on this

well thought out move for many years. Many farmers thought that they were finally seeing results from the promises made by the then Minister of Agriculture who said in December 1985 that a disaster program was being planned by his Department so that farmers would not have go through the uncertainty they went through in the previous year of drought.

As the program unfolded, it became very obvious that the Government had not taken precautions and that the bureaucracy was not ready to handle the program as announced. At that time, there was absolutely no data on township average yields or township actual yields on which the program was to be based. The bureaucracy had to commence from scratch to put together a program.

To make the situation worse, expectations were built up very high by government Members who, during the election campaign, said that this was a firm commitment on the part of the Government and that the program could be implemented very quickly. Post–election, the new Minister of Agriculture (Mr. Mazankowski) indicated that cheques would be in the mail. At one point he said that they would be in the mail before Christmas and then he changed that by saying that the applications would be in the mail before Christmas. In fact, we all know that most producers did not receive their applications until well into March. This reinforces my contention that the Government did not do any planning for this program and was not prepared for it. It pulled it out of thin air on the basis of a poll which showed that it would lose certain rural seats on the prairies unless it came up with some sort of a drought program.

That is now water under the bridge. The Government has indicated that it has not managed the program well and that it is incapable of managing such a program. It has not answered questions about the delays in the program to any satisfaction. The civil servants who have been given the task of carrying out the program are now defending themselves by saying that the cheques will be in the mail about the same time as the Special Grains Program payment cheques were in the mail last year, and that therefore the program can be deemed to be a success. We will see. That was not the promise made by the Minister of Agriculture and members of the Government during the election campaign and after the election. They were leaving the impression that payments would be made very quickly.

Government Members also left the clear impression that there was full co–operation with the provinces. That impression began to fall apart very quickly. As recently as March, the Premier of the Province of Saskatchewan who is also the Minister of Agriculture told the legislature in Regina that this was a federal program and the provinces had made no commitment to participate. The question had arisen, of course, because the estimates had been tabled with only half of the money listed in the first draft. Gradually the Government began to admit tacitly that there had been no result from discussions with the provinces that would yield any money, so it introduced as Supplementary Estimates the balance of the funds. Now we have returned to the House for approval from the Agriculture Committee for this amount of money which, in the words of the Minister, is to cover the special drought payments as well as something for two–price wheat and some other programs on which he did not elaborate but about which we expect we will find out more when we go into Committee of the Whole.

In the interests of getting this legislation through the House, even though it provides much less than we thought was necessary to deal with the problem adequately, I suggest that the House now go to Committee of the Whole.

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, I rise today to support this Bill, but I have a few comments I would like to make. Having said that I support the Bill, I would also like to say that I am somewhat critical of the Bill and the way it was handled by the Government.

I understand that the intent of the Government is to fine tune this Bill so that it applies to townships rather than to counties or districts. The Government should have faced the reality of the situation and realized how difficult this type of fine tuning was to handle. If it had been handled in the manner in which similar types of assistance programs were handled in the past, farmers would have received their money by now and could have been using it. The money that will go to the producers because of the poor crops last year is money needed by those producers to assist in their cash flow for this year and the purchase of seed. Unfortunately, even with the

best efforts of Agriculture Canada and the Minister's office, they are not going to receive that money as quickly as all of us would have liked.

• (1650)

As mentioned by other Hon. Members, the fine tuning of this Bill has caused a discrepancy between farmers on opposite sides of the same concession roads that happen to be in a different township. The crop insurance figures from townships that are being used basically to calculate who gets what are showing discrepancies.

When bringing this Bill into the House today to grant extra funds, the Minister made the comment that this was an ongoing program. However, he must realize that that is not the accepted explanation in that this announcement, as he said, was interestingly made 11 days before the election last fall. The announcement was that the program would be cost shared on a 50–50 basis with the provinces. More than one province has denied that that consultation process took place. I feel that that should have taken place, and some of those other problems would not have happened.

The Minister also made the comment that there are approximately 4,000 producers who would be eligible if they had sent in an application. The Minister may recall some questions that we asked in the House, and also to some of the members of the ministry and the staff. In Ontario in particular, many, many producers did not receive their form until the deadline was past. I put out two press releases in my riding encouraging producers to make sure they put their application in, and that the Minister has stated that he will honour those. I respect and appreciate that fact. However, there were producers who received the application, looked at the date on the application which they sometimes received weeks after the deadline, did not notice the press release, and there was nothing on the application stating that even though the application was received late, it should be still sent in, and now another deadline has past.

We worked hard to advise the producers. That money is needed by the farmers, it is owed to the farmers, and they deserve it. We worked hard, but there were producers who decided that it is too late and there is no use sending in the application, so I lost on that one.

I support the Bill. I am sure in hindsight that the Minister and his staff will look at how this was handled. The phone lines were busy and it was difficult. However, I will not hold up the debate in discussion any longer in order that we can pass this Bill and the farmers can receive their money.

The Acting Speaker (Mr. Paproski): The Hon. Parliamentary Secretary to President of the Treasury Board on a short comment.

Mr. Crosby: By way of a point of order, Mr. Speaker, before we move to Committee of the Whole House and following second reading, I simply wanted to state that officials may be available, but the Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds) (Mr. Mayer) is present to answer questions, and I do not believe it is necessary to have the officials.

Motion agreed to, Bill read the second time and the House went into Committee thereon, Mr. Paproski in the chair.

The Deputy Chairman: Order. House in Committee of the Whole on Bill C-35, an Act for granting Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1990.

On Clause 2—

Mr. Speller: I have a question, and I am not sure if it relates to Clause 2. Clause 2 mentions moneys being drawn out. I wonder if the Minister is aware of the situation in the riding of Haldimand—Norfolk where many farmers in my area have been flooded out. Most of those people have not been able to get their crops in. I wonder if any of these moneys, or if other moneys are available, to help those farmers out of this tough situation. The Minister may be aware that many of those same farmers suffered a drought last year. This year they

are facing a situation of not even being able to get on the land. Are any of these funds available, or any future funds available to help out those farmers in Haldimand—Norfolk?

Mr. Mayer: The Hon. Member for Lambton—Middlesex (Mr. Ferguson) raised that issue when he spoke. I certainly take the observation. However, this program is designed for drought assistance. There is no provision in this Bill to assist producers who may now be facing some equally serious problems as far as flooding is concerned.

I stand to be corrected, but I believe that for producers who have decided to take out crop insurance there is a provision in the crop insurance for them to be compensated if they are unable to seed for flooding reasons, or for whatever other reasons. There is some compensation available for producers. I know that that is the case on the prairies. I assume that the same applies in Ontario for producers in the riding of the Hon. Member. There should be compensation if they have in fact taken out crop insurance for the present year.

Mr. Vanclief: I have had discussions with the Minister in the past. There are drought relief committees to be appointed. I believe the Province of Ontario has six, and three that have already been appointed by the federal Government have been in southwestern Ontario. I have had discussions, and I have great concern that no one has been appointed from eastern Ontario, and to the best of my knowledge, there have been no appointees to the other three committees. Horticulture is a major sector of agriculture in Ontario and it is not represented.

What action has been taken on that to date?

Mr. Mayer: The Hon. Member has raised this question, and the two of us have had private discussions. The Hon. Member makes a very good point. Review committees were designed to assist the over-all administration of the program to serve the producers. There are four in Alberta, four in Manitoba, six in Saskatchewan, and six in Ontario. The six in Ontario are made up by three from the federal Government and three from the provincial Government.

We have been rather disappointed that the province has not seen fit to appoint those three. We are going to have to deal with that issue. The Hon. Member is absolutely correct that we need better geographical representation.

The Hon. Member also makes a very good point in terms of horticultural crops. I understand from his own personal background that he has had a very good career as a farmer growing many kinds of special crops, and if anyone is qualified to make those comments, he probably is, as far as the House is concerned. We take his point, and we will do our very best to address it as quickly as we can.

Mr. Ferguson: I wonder if the Minister could outline for us the amounts of additional funding he has in here. For example, he mentioned compensation for the two-price wheat system, and a couple of other items. Could he elaborate on those, and give us some figures?

Mr. Mayer: There is a whole host of programs that do not add up to nearly the amount of money for the drought program. I mentioned two-price wheat. The Canada Grain Commission has a certain amount of funding in here. Stop-off charges for millers are here. The International Grains Institute is here. Fees for membership for International Wheat Council contributions to the Canada Grains Council—the grain related funding that the federal Government is involved in—is here. For instance, we cost-share with the Canadian International Grains Institute, the Canada Grains Council and other kinds of things, depending on the organization. I believe some funding for POS in Saskatoon is in here as well. Those are the types of things I was referring to.

• (1700)

Mr. Funk: Mr. Chairman, I have a few questions to ask of the Minister.

Before I proceed, however, I would like to pay tribute to my colleague, the Hon. Member for Mackenzie, for the work that he has done on this issue. If it had not been an election period and the Government needed to have a separate program from what the NDP was proposing, it might well have been the Hon. Member's proposal that would have been accepted. I think a lot of difficulties would have been resolved if it had been.

I am still concerned about the business of individual producers versus townships. The Minister suggested that management factors played a big part in this. My own experience in my constituency is that in the parkland areas the rain was very spotty. One of the Minister's officials in committee the other day acknowledged that fact. His family farms 12 miles from where I farm. The rainfall was very spotty. Often, most of a township was in

relatively good shape but for people on the other side of a forested area or on the other side of a valley it could have been very bad.

I still do not see any mechanism included in this proposal whereby those kinds of real inequities are addressed. The Minister's officials said that fairness, equality and equity were still the objectives of the program. Those individuals caught in this type of situation could be totally wiped out if there is not some mechanism whereby the farmer who has virtually total crop loss falls into a township where the average is relatively good. I am not happy at all. I would hate to see this Bill go through without some assurance that if it is demonstrated after looking at the data that there are cases like this that there might not be some mechanism to address it.

In digging around on this program I noticed that the Minister when talking about the maximum total available per acre still quoted the figure of $40 to $45. I noted that with interest since it has been told to me that there is still a 10 per cent leeway at the top end of the payments here and that if the totals, once they are run through the computer, exceed $850 million, in fact that will revert to a lower level. Can the Minister confirm that this might still be true?

Third, with respect to the question I raised on the overpayment situations under special grains, it would have been proper if people had been informed of that ahead of time in case they were expecting a full cheque to be there, which a lot of people were doing. I think this is the first public acknowledgment of that fact—at least the first I have heard.

I should pay tribute where tribute is due. It was a staff member of mine, a person by the name of Judy Rice, who raised this possibility with me. She has been dealing with special grains and worked for the Hon. Member for Saskatoon—Humboldt for many years. She is now working in our office on this program. I might close my questioning by suggesting that if the Minister ever needs advice again, perhaps he can consult with Judy Rice.

Mr. Mayer: Mr. Chairman, with regard to the opening comments of the Hon. Member, this Government has responded in record fashion, both with programs and support, in international trade negotiations and with dollars. We did it in years when there was no election. We responded three years ago with $1 billion and two years ago with $1.1 billion. If the Hon. Member were to look at our record over the previous mandate he would see that we increased agricultural spending by over 400 per cent. In that period of time we spent something in the order of $11 billion in the grains and oilseeds business in Canada.

I know we do not need any coaching or any suggestions from the Hon. Member's side of the House that the reason we did this was for election purposes. Our record is very substantial in this area. We have a Prime Minister who has defended this industry outside of the country. We had a previous Prime Minister who when he came to western Canada gave us the finger and told us to sell our own wheat. This Prime Minister has been raising issues like this in international forums in Tokyo, in Venice and in every forum he has had a chance to do so. I just do not accept some of the things suggested by the Hon. Member for one minute.

As far as targeting is concerned, the Hon. Member raises a fair point. It is a judgment call that we make. We will have to wait to see the final data. We will not be using maps but lists of municipalities with the yields for the various crops. I have not seen them but I know some of the preliminary data has been available to the review committees. One of the people on the review committees has told me that in terms of his own immediate area he thought the data he had now from the final run from information on crop insurance addressed all of the concerns that they had in their own area.

Before the Hon. Member says he is not happy with this, I think he should wait to see what the final data generates. We certainly believe that the way the program is designed we will see most, if not all, of those issues corrected that were associated with the maps. For instance, we knew that when we made the initial payment the only data we had to make the initial payment on was the loss to coverage ratio. We knew that that would not be satisfactory and said so right off the bat.

With regard to the Hon. Member's comment about $45 per acre, that is an estimate that still stands. I can almost do the arithmetic here on the floor of the House. I would be happy to do it with the Hon. Member afterwards.

If one takes a 27 or 28 bushel average yield from a high producing area and gives full crop insurance coverage with no crop, one will get to that $40 or $45 payment. It will depend, as I said, on how the program runs and how the figures are drawn before we see how many people are involved.

I did not make a note of the third point the Hon. Member raised. Can he refresh my memory, please?

Mr. Funk: The figure of 10 per cent.

Mr. Mayer: We are still looking at the program. The formula is there. We have published the value of the crops. I can say publicly that we have had presentations made to us on lentil and some of the legume crops, as well as durum wheat. The one we are still considering is durum, if we can justify a higher price. Hard red spring is set at $160. I think there is a case for durum being slightly higher. That is the one we are looking at. The numbers are there as far as price is concerned.

Once we have the yield data available, that will give us the yield. We do the multiplication and then multiply that by the number of acres and we will get the final payment. Until we have all of that we will not know what the numbers are, Mr. Chairman.

Mr. Funk: Mr. Chairman, I would like to thank the Minister for the answers he has provided. I would like to pursue two of the points a little further. I appreciate that at this point in time it behoves us to see how it will come out. However, my question remains. If it is demonstrated that there are some real hardships occurring through no fault of the farmer's own management or any other reason but just because of the rainfall, and if they are in serious financial shape because of the township criteria, then might there be an opportunity to review those situations, say, in the fall when we are back here, or by some other kind of mechanism?

The Minister has talked about adding components to the program and making some adjustments to it. If it turns out that more than $850 million is required, would it be possible for the Minister to go to his colleague and top up this money to run the program properly if that is what is required?

Mr. Mayer: Mr. Chairman, the only thing I said is that the one component we are still looking at is the price of durum. That is the only one we are considering.

We have said from the beginning that the $850 million is an estimate. It could be less, or it could be slightly more. We will have to wait to see what the numbers are. The Government has the capacity to cash-manage with a certain amount of latitude. However, again, we think that the original data we have is valid. We still think that the program is going to run very close to $850 million.

• (1710)

Mr. Speller: The Minister may recall that I sent him a letter in May regarding the situation of red clover in Haldimand. Because Agriculture Canada did not have details of the red clover production, it was considering the use of production figures for soya beans. I sent him a letter from one of my constituents from York, who indicated that he was anticipating 107,000 pounds of seed but only got 2,000 pounds.

People from my area, especially from Haldimand, have sent him figures of their production over the years. Does the Minister have this information and is he considering using it instead of information for soya beans?

Mr. Mayer: With regard to specific crops, we have the capacity to look after applications from producers who have been registered or the commercial seed business that sells and has a record of sales. It will be very difficult for us to handle someone who is in the commercial business that sells farm to farm, or grows it.

Without getting into the specifics of his letter, which I recall in general terms and would be happy to discuss with him later, we are looking for as many ways as possible to accommodate that kind of situation. We will find it difficult to do anything other than for the registered pedigree seed producers. If I said commercial before, I should not have done so. It is the registered and pedigree seed producers of forage crops with which we will be in a position to deal. However, it will be difficult to deal with some of the other commercial ones because we will find it almost impossible to verify records.

If we do not have enough yield data for an individual crop in a township, then we will prorate it or take an average of another crop, whether it is soya beans or corn, in the Member's area. Assuming that a farmer suffers a 60 per cent loss in the production of corn, we would have to make the assumption that it will be somewhat similar for other crops, even if we do not have enough data to go

with it. It is a reflective estimate of production in that township.

Mr. Funk: Mr. Chairman, I had asked the Minister two questions, and perhaps he forgot the first part. Once we have looked at all the data, as we should, and the appeal process has run its course, if it can be demonstrated that there are individuals who have experienced serious financial hardship through no fault of their own, is the Minister considering a mechanism for at least a sympathetic response to that situation? Frankly, I hate to stand here and say tough luck.

Mr. Mayer: Mr. Chairman, as I said, we are being specific down to a township, which is six miles by six miles. We have review committees in place to deal with the municipalities, to look at the data and make sure it is reflective. If there are individual cases, for instance, that are not covered by crop insurance so they would not be in the overall data base, and which can demonstrate that that influences the overall yield in that township, that will be taken into consideration by the review committees.

I do not want to raise false expectations. It can be pretty difficult to deal with an individual farm. I say again that once you see the overall data, I think most people will be very satisfied with the procedure. We will be able to capture a lot of those instances. If there are some special cases, we will do our very best to accommodate them. However, I ask the Member to understand that we cannot go back and review each individual farmer on a case-by-case basis. The Hon. Member from Lambton—Middlesex (Mr. Ferguson) estimated some 130,000; we estimate in the neighbourhood of 120,000 to 130,000 cases. Some of the averages may not be exact but I certainly think they would be reflective enough of the situation so that there will not be that many complaints.

Mr. Taylor: I want to expand on the answer the Minister just gave to my colleague. What advice is he providing to the individual farmer? Is he or she to approach the municipalities to discuss the individual claim, and will the rural municipality discuss that with the review committee? Is that the process?

Mr. Mayer: Yes. We will be sending kits to all of the municipalities to deal with this, so that is the procedure. It will be a similar procedure to what went on with the review committees as far as the livestock feed side of the drought assistance. That will be the process.

Mr. Taylor: The Minister also said in response to my colleague that there will be no maps this time around. With the initial announcement of the program, maps with light grey, medium grey and dark grey squares were produced. It gave individuals the opportunity to understand whether or not they qualified for funding under the initial program, whether they would have to wait for payment under the final program, or whether they would receive no funds at all.

The Minister now says that no maps will be produced, only lists. How will the individual producer be able to know whether or not his or her farm is included in this second package?

Mr. Mayer: It will be shown by municipality and township within the municipality, by crop within the municipality. There could be six or seven crops within the township. It will be very difficult to show all of those on a map. We decided that the best way to get the information out is through lists. The producer will have that available to him through agricultural representative offices, municipal offices, district agricultural offices, county offices in Ontario. All that information will be available. I think that kind of system will be much more usable and readily understandable to producers than the previous maps which were used solely to make a blanket payment, regardless of the crop, on an interim basis.

The Deputy Chairman: Shall Clause 2 carry?

Some Hon. Members: Carried.

Clause 2 agreed to.

On Clause 3—Purpose and effect of each item

Mr. Althouse: I have some questions arising out of the Minister's comments. During his remarks to the House he said that he could not understand why so many producers had failed to fill in application forms. While I cannot give him an explanation, I know that a number of the several hundred producers who were late applicants under the Special Canadian Grains Program that was completed last year were people who had to go off the farm to work and only got to the paperwork after the deadline arrived to fill out the application forms. As a consequence, they were late.

I suspect that probably most of the several thousand to which the Minister alluded in his remarks were delayed because the farmer was trying to find some other way of making money to put in a crop and the paperwork piled up so he did not get it done.

The announcements as to final filing dates were fairly clear. I expect many of those people thought they had missed it when they did come across the form and simply failed to file. Is the Minister in the process of encouraging these last few thousand to apply? Has he extended the date? What is he doing to make that clear? The second part of the question alludes to the several hundred applications from the last program that are on the desk of the Minister of Agriculture. Will those late applicants receive approval?

Mr. Mayer: Mr. Chairman, with regard to the first part of the question, we took out ads in the farm papers across the country. We ran radio ads. I think enough was written about the program and the Opposition was critical enough of it to raise this issue everywhere. In many ways I do not think it is possible to plead innocence or not guilty about not knowing about it. I do not think I said I do not know why they did not fill them out, I said that there are applications that have not come back in. I do not know why they have not come back in. We have been as accommodating as we can on deadlines but there comes a point at which you have to cut it off because if you keep accepting applications it jeopardizes the way the whole program operates. We cannot continue to extend the deadline for applications and jeopardize the people who have already submitted their applications getting their cheques sent to them. We will be as accommodating as we can as long as that accommodation does not jeopardize the overall process.

• (1720)

With regard to the last point the Member makes about previous, that is a year ago. It is going to be pretty difficult to accommodate people who submit applications that are this long in coming. The Special Grains Program was administered over a year ago. We accepted applications from people as long as we could, into the late summer I believe and maybe even later, I would have to look.

I do not know what you can reasonably expect. When people send applications many months after the fact, there comes a time when you have to cut off the program and decide that those applications can no longer be considered. I am not up-to-date on where those ones are in terms of the Minister of Agriculture, but I would be happy to look into that and respond to the Hon. Member at a later date.

Mr. Althouse: I would like to point out that those applications were not as much as a year late. They have been sitting on the Minister's desk for many months and those people would appreciate knowing whether they are in or out, whether they will or will not be receiving consideration. Many of them have been waiting for seven or eight months or more. It is not entirely a question of their tardiness.

The Minister should be aware that in spite of all the publicity, if a farmer is working in northern Canada or in downtown Toronto framing houses all winter and into the spring, leaving his return to seed as late as he can, he is not subjected to the information that the rest of us who live in farming communities are. The only way those people have of knowing about the program is to go through their mail, and mail really piles up after five or six months of absence. It is not easy to get through all of that and to sort out what is important and what is not. As a consequence, people are late in some cases.

I just raised that again hoping that the Minister and his colleagues will recognize that and be a little more lenient about recognizing late payments because there are mitigating circumstances in nearly every one of these cases.

Mr. Mayer: Mr. Chairman, anyone who has their application in during the month of June will be looked after. Beyond that it is going to be very difficult. People who are away for five or six months have to come back if they are farming in order to put their crops in. If they have their applications in by the end of this month we will be in a position to consider them. Beyond then it is going to be difficult. It is going to have to be a judgment call on how that will affect the overall operation of the program and the other people who have already applied.

Mr. Althouse: Just to finish this, where can they apply for application forms if they have been lost in the mail, or lost in the pile somewhere in the office? Where do

they apply? Is using the phone system adequate for them to hold a spot? There are only a few days left in this month.

Mr. Mayer: Probably the simplest way, Mr. Chairman, is to use the 1-800 number. I do not have it in my head, but that would be the simplest to get it out and back as quickly as possible.

Clauses 3 and 4 agreed to.

On Clause 5—*Appropriation charged.*

Mr. Althouse: Would the Hon. Minister tell us with some precision how he intends to spend the two-price wheat moneys which are included in these payments? What will the process be? What will the payment be? Who will be eligible for it and how will it be distributed?

Mr. Mayer: The process is under way. It has been paid in one interim payment already, I think only one. There will be a final payment. The Ontario Wheat Producers Marketing Board closes its crop year at the end of this month. The Canadian Wheat Board closes its crop year at the end of July. Part of the money has already been advanced in the form of an interim payment. It will be based on the pooling system. All the grain that is sold in those two areas will be looked after. We are handling it differently in terms of Quebec and the Maritimes. There is some eligibility in the lower mainland of British Columbia but it is all handled basically on the same basis to make up the difference between the market price and $7 a bushel which works out, I think, to $257 a tonne.

Mr. Althouse: Will the payment to producers in the Canadian Wheat Board region be made as well? How will producers in the Canadian Wheat Board region take part in the payment this year?

Mr. Mayer: The money is paid directly into the pool account as any other sale would be and it is worked out on the basis of your sales. Your share is based on your sales.

Mr. Althouse: I only ask that because it had been skipped over and there is some trepidation about how long the two-price wheat system will be continuing. That had been left out in the original answer.

I thank the Minister for his answers. We understand that there is a disposition for this to go further very quickly to make room for some other Bills. This is the end of my questions, Mr. Chairman.

Clauses 5 and 6 agreed to.

Schedule agreed to.

Clause 1 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported and concurred in.

The Acting Speaker (Mr. Paproski): When shall the Bill be read the third time? By leave, now?

Some Hon. Members: Agreed.

Mr. de Cotret moved that the Bill be read the third time and passed.

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, I would like to take a moment to pay tribute to the people who have worked very hard in administering this program. This is a $850 million program. The administration costs are going to amount to a little over 1 per cent, we estimate 1.1 per cent of the total program. Anyone who works in government programs knows that that is a very, very minimum figure. The reason we are able to do that is because of the co-operation we received from the provinces in terms of their crop insurance corporations as well as because of the people who have worked here in the Department and the people who have co-operated with us.

I thought it would be useful, Mr. Speaker, to point out that we do have some very capable people working on the administration of this program and they should be recognized. Testimony to how well they have been running the program is, as I said, the small percentage of money that we are using to administer this program.

Mr. Riis: Mr. Speaker, can you clarify what number of Bill you have been referring to?

The Acting Speaker (Mr. Paproski): Bill C-35.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the third time and passed.

* * *

CANADIAN SPACE AGENCY

MEASURE TO ENACT

The House resumed from Thursday, June 1, consideration of the motion of Mr. Andre that Bill C-16, an Act to establish the Canadian Space Agency and to provide

for other matters in relation to space, be read the second time and referred to a legislative committee.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: On division.

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

* * *

CANADIAN EXPLORATION AND DEVELOPMENT INCENTIVE PROGRAM ACT

MEASURE TO AMEND

The House resumed from Monday, June 26, consideration of the motion of Mr. Epp that Bill C-19, an Act to amend the Canadian Exploration and Development Incentive Program Act, be read the third time and passed.

• (1730)

Mr. Ross Harvey (Edmonton East): Mr. Speaker, as I warned Hon. Members last Friday, they could have either supported the hoist motion advanced by the Hon. Member, the critic for the official Opposition, or failing that, they could hear me yammer on for a few more minutes. The House decided, and here I am.

I would like to say that it is indeed unfortunate that the House seems determined to give third reading to this Bill today to pass it into law. I say this is unfortunate for a variety of reasons; principally because it will hurt the small, independent Canadian oil companies and the independent Canadian companies that supply the oil patch in the Western Sedimentary Basin, especially in Alberta.

It should be noted at the start that the passage of this Bill will in no way affect the large international companies. Indeed, it will not affect the large Canadian companies involved in the patch. Because they already will have made up their allowable exploration and drilling expenditures prior to the termination date set in the Bill, the premature termination of the program. It is the small companies that will have just been undertaking their exploration and drilling programs that will have spread those programs over the four quarters of activity in the year that will be caught short and harmed by the passage of this Bill. In this sense, this Bill is discriminatory against precisely that sector of the industry which most needs and, indeed, most deserves the assistance that the program otherwise would grant.

Right off the top, this is an inequitable Bill. Indeed, it is a harmful Bill from the point of view of the small, independent Canadian sector. There is no question that the Bill will have impact. The Canadian Association of Oil Well-Drilling Contractors states that the cancellation of CIDA will make their prior second quarter forecast of 153 rigs drilling, down 10 per cent from 171, obsolete. In fact that figure will have to be further reduced. They are now talking about the average number of rigs running in the second quarter to be 89 or 17 per cent utilization.

Let there be no mistake that the cancellation of the CEDIP program will have a substantial impact on the Western Sedimentary Basin.

It is not just on the companies themselves that do the exploration. It is on the service companies in the industry that the negative impact will be felt. It is on those industries, for example, represented by the Petroleum Services Association of Canada which appeared before the legislative committee to make plain theirreservations with regard to the Bill.

However, the damage does not even stop there. Indeed, it extends right to the farm gate. As Mr. Bud Bell, the Vice-President and General Manager of Schlumberger Canada and the First Vice-President of the Petroleum Services Association of Canada, when asked during committee about where the people who work for the companies represented by his association, said:

> They come from across Canada, but the majority of them come from Western Canada geographically. Many of them work for the services company in the winter, that are, during the summer, farmers.

This merely reinforces the point that I made at the second reading of this Bill, that many farmers, especially in Alberta, north of central Alberta, rely on farm employment to keep the farm going to tidethem over the tough times of low farm income. This Bill will impact negatively on them as well because there will not be the jobs in the smaller exploration companies and service companies that there would have been had CEDIP been maintained right through to the end of the program, projected for this December.

Therefore, there is no question that the Bill harms the small producers. It harms the servicing companies and it harms, in many cases, farmers seeking farm income who work for those companies.

There is another aspect in which this Bill is iniquitous. That is that the Government is using this Parliament to renege on a promise explicit in the previous legislation. The promise was to give six months clear notice of any alteration in the program.

There is no question that legally the Government can do this. The Government is perfectly free to place a bill before this House, have it passed through and become law and thereby simply void any prior commitment it may have incurred as a consequence of previous legislation. It can do that. The point is that it ought not to do that, especially when, in doing that, it is breaking a promise made and accepted in good faith by hard-working, small Canadian companies trying to do a good job in the Western Sedimentary Basin. It is an improper way to conduct the public business, and for that reason alone, this Bill is unworthy of the support of this House.

As the Independent Petroleum Association of Canada noted in its submission to the legislative committee—they did not appear, but they did supply a written submission—"This measure undermines investor confidence in the integrity of Government." As was noted in its submission by the Small Explorers and Producers Association of Canada, this Bill if enacted constitutes a situation in which:

> The Government violated its own covenant to give six months notice.

This matter has not escaped the attention of the industry. Indeed, those who appeared before the committee stressed over and over again how surprised and how shocked they were that the Government would use Parliament to conduct itself in this fashion.

Last, I would like to make it very clear that it was discovered during the course of the Minister's appearance before the committee that the decision to terminate the CEDIP program was not taken in the Department of Energy, Mines and Resources, that it was not even considered within that Department. Rather an edict came from the Finance Department, as part of the Budget, that this program be prematurely terminated to save $80 million. There were no impact studies done on the effects of this cancellation on the Western Sedimentary Basin and on Alberta. Apparently no alternatives were even considered. When the question was put to the Minister's Departmental senior staff as to whether or not consideration had been given to radically lowering the cap on the program, thereby saving at least $40 million but allowing the benefits still to flow to the smaller companies, the response was, no, not to their knowledge.

Therefore, we have a Bill that unfairly singles out small companies for punishment, we have a Bill that cancels a promise previously made by the Government, and we have a Bill the effects of which were not even considered prior to its introduction. For these three reasons, I submit the House cannot support this Bill. To do so would be wrong.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion agreed to, Bill read the third time and passed.

* * *

• (1740)

CANADIAN ENVIRONMENTAL PROTECTION ACT

MEASURE TO AMEND

Hon. Charles Mayer (for the Minister of the Environment) moved that Bill C-22, an Act to amend the Canadian Environmental Protection Act, be concurred in.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Speaker: When shall the Bill be read the third time? By leave, now?

Some Hon. Members: Agreed.

Hon. Charles Mayer (for the Minister of the Environment) moved that the Bill be read the third time and passed.

The Acting Speaker (Mr. Paproski): Before I recognize the Hon. Parliamentary Secretary, is there unanimous consent to allow the chairman of the committee to present his report?

Some Hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*Translation*]

BILL C-10

PRESENTATION OF REPORT OF LEGISLATIVE COMMITTEE

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I was recently honoured by being chosen chairman of the Legislative Committee on Bill C-10.

Today, I have the honour, Mr. Speaker, to present in both official languages the Committee's report on Bill C-10, an Act relating to the forgiveness of debts incurred or assumed in respect of certain official development assistance loans made by the Government of Canada to the governments of certain countries in sub-Saharan Africa, without amendment and to thank the Committee members and all the staff of the House who supported us.

I have the honour to table this report today.

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

GOVERNMENT ORDERS

[*English*]

CANADIAN ENVIRONMENTAL PROTECTION ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Bouchard (Lac-Saint-Jean) that Bill C-22, an Act to amend the Canadian Environmental Protection Act be read the third time and passed.

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I want to make a few brief remarks on the occasion of third reading of Bill C-22. Let me begin if I may by thanking the members of the Standing Committee for the very effective and expeditious manner in which they addressed this legislation before the Standing Committee. I would also like to express my own personal thanks to the several departmental officials who were very helpful in that process.

As the members of the Committee understand, the Bill which is before the House now for third reading is very brief and a very straightforward piece of legislation. It was deemed necessary to rectify some legal difficulties encountered in the original legislation since its passage late last June.

In my opinion, the legislation before the House does indeed rectify those deficiencies. It means that we then will be in a position to enforce the regulations which were designed to come into place on July 1 of this year in order to effect the requirements of the Montreal Protocol. The Canadian Government was very happy to provide leadership at the time of the Montreal Protocol and we look forward to these regulations being in place.

I think all of us understand that the proposed emissions of CFCs by some 50 per cent which is provided for in the Montreal Protocol are no longer accepted as adequate. In fact, the Minister of the Environment (Mr. Bouchard) has already made a commitment that the Canadian Government will move toward the diminishing of CFC emissions by 80 per cent by the end of the next decade. Furthermore, he has accepted as an objective for the Government that we should move toward the elimination of all CFC emissions by the same date.

It is most important that all Parties work together in ensuring that the regulations in place will be effective and I think that is the case with respect to the Montreal Protocol and like all members of the House, I look forward to continuing to address this exceedingly important issue. Members on all sides now recognize the threat that CFCs represent to the ozone layer and the significance of that to the health of Canadians and citizens throughout the world.

I do hope the House will expedite the passage of this Bill as it has done to date.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am most happy to rise in support of this particular Bill. I must admit, however, when the Parliamentary Secretary to the Minister invokes the Montreal Protocol he forces

me to elaborate a little bit on our Party's position with respect to the whole question of CFCs.

This particular series of amendments was needed. Essentially when the original Canadian Environmental Protection Act was drafted by the former Minister of the Environment, he botched the job and he botched it in such a way that the current Government could not have met its obligations under the Montreal Protocol without a specific interim order unless this legislation went through. We are most happy to assist the Government in getting the legislation through but I was very disappointed that the Minister of the Environment (Mr. Bouchard) on February 16, 1989, stated that the CFC question was his number one priority and that he was going to begin immediately drafting regulations. In fact, we did not learn about the botch-up until May 31, so I have to ask the Minister what he was doing between February and May.

More important in the examination of CFCs, I became aware that 4,000 skin cancers every year are linked specifically to the depletion of the ozone layer, something which most Canadians are not aware of. The single largest contributor to the depletion of the ozone layer is the production of chlorofluorocarbons which are used on an ongoing basis in refrigerants and other particular products.

While I respect and understand alternative technologies in many areas are in the process of development, I do not understand nor do Canadians why the Government does not move immediately to force the recycling and recapture of CFCs currently being leaked into the environment.

Last night in our ministry committee we learned that a company in my own community of Hamilton that makes refrigerators, a Canadian subsidiary of General Electric company, Camco purchases 300,000 pounds of CFCs per year for use in its refrigerators. Those CFCs are now purchased at a paltry sum of $1 per pound. It is very inexpensive and the company tends to use it as an inexpensive commodity. We learned from Camco that 4 per cent of its CFCs are lost immediately during the manufacture and process and a further 10 per cent to 15 per cent of CFCs are leaked into the atmosphere on an ongoing basis during the life of a refrigerator.

We also know that at the moment there are no specific national standards with respect to the development of hermetically sealed air conditioners in automobiles, which is a very large escape source of CFCs. There is no particular national initiative with respect to companies and how they handle CFCs. We even heard by way of a presentation in the committee that VIA Rail, a crown corporation, in the City of Montreal, in the birthplace of the Montreal Protocol—

[*Translation*]

The Montreal Protocol should take effect in four days. Today is the 27th. As of Canada Day, the Montreal Protocol should take effect in the same place that it began, where it was signed. Every day, Mr. Speaker, a Crown corporation releases CFCs into the atmosphere, CFCs which we already know reduce the ozone layer and cause skin cancer. And what is the answer of the Government and of the companies that are releasing CFCs into the atmosphere?

• (1750)

[*English*]

We heard last night from the officials at Camco that at this very moment it is in the process of doing repairs to 22,500 refrigerators in Canada and its parent company is in the process of doing repairs to one million refrigerators in the United States. When they are doing those repairs, they are deliberately permitting the leakage of CFCs into the atmosphere.

They claim that the technology is not available, even though we produced evidence that such technology does exist and indeed it is portable technology. We even asked the companies whether they would be willing to set aside or forgo their plan for repairs for a few months until they could satisfy themselves of the technology that can be used to recapture. They refused. Do you know why they refused, Mr. Speaker? Their excuse was that they represent a very small percentage of the market-place. Their percentage of the marketplace is 5 per cent. That is one company which is purchasing 5 per cent of all the CFCs in Canada. By their own declaration, the number of Canadians in their company actually working on the issue of recycling, recapture and research is two people. Two people, and they tell a parliamentary committee that they feel that they are doing enough in this area.

The company also told us that they could not move immediately because they wanted to preserve the food for Canadians by proper refrigeration. In fact, we had other methods of refrigeration before the arrival of CFCs in the market-place. Do you know, Mr. Speaker, for every 1 per cent increase in CFCs into the atmosphere, the capacity of the earth to produce food is decreased by 1 per cent. That 5 per cent ratio of CFCs used by that single Canadian company, in the Canadian context is responsible for a 5 per cent reduction in the arability of food for the world. We cannot just think about food in the context of what goes into and comes out of our refrigerator. We have to begin to think about the food in the global context.

We are among the heaviest users of chlorofluorocarbons in the world, and if as a nation we are willing to dodge our responsibility and ignore the exigencies of the Montreal Protocol and the time bomb that is ticking on the very air which we breathe, by passing it off and saying: "Well, we only represent 5 per cent of the market-place", 5 per cent and 5 per cent and 5 per cent and 5 per cent, together a hole in the atmosphere make. That is exactly what we have at the moment with respect to the ozone layer. That is exactly why the federal Government and in particular, the Minister of the Environment (Mr. Bouchard) should invoke his powers under the Canadian Environmental Protection Act, under Section 35, to issue an interim order to begin to control the disposition of CFCs in refrigerants across Canada.

I was speaking to an industry person only a few days ago. He told me that at the moment CFCs are so cheap and so available that they use them as a replacement for water in cleaning the coils of their commercial refrigerators. Instead of bothering to get a water hose, they are doing repairs and they merely spray the back of the refrigerant with CFCs, which are going right into the atmosphere, which are creating holes and which are warming the climate.

We are entering what probably will turn out to be the hottest Canadian summer on record. That is not a natural phenomenon. The drought, for which Canadian farmers are still waiting to be paid, is in part a result of global warming trends which can directly be linked to the degradation which is being wrought by humankind on our universe.

Surely, if we can take some small step in Parliament, it should be an invocation of the Canadian Environmental Protection Act, of the interim orders to make sure that as well as dealing with our obligations under the Montreal Protocol, which are already out of date, that at the same time we ensure the toughest standards in the world in relation to refrigeration and in relation to the very things which at the moment are escaping public attention.

I asked that question specifically of the Minister only a few moments ago in the Environment Committee. I asked him if he would be prepared as an interim measure to invoke a section of the Canadian Environmental Protection Act to deal with that particular issue. The Minister, once again, was very fluid and flowery with his rhetoric but, once again, he refused to take specific action. He is studying the question. He is looking at other alternatives. This was a perfect opportunity for him to act. I must say that I amdisappointed that he is not doing more.

I am also disappointed in a decision of the committee to vote down a motion which was presented by the Liberal Party that the Bill be presented on recycled paper. It may be a small thing. It may be a nominal gesture in the fight to build a cleaner environment, but when we moved the motion to have the first piece of environmental legislation in this Parliament printed on recycled paper, it was turned down by the Conservatives.

I have to ask myself, how committed is the Government to environmental questions when it will not even recycle the paper which we use for environmental legislation, and it refuses something as simple as incorporating the concept of sustainable development into the mandate of various ministries.

I think in this particular Bill, yes, we have helped the Government and we have tried to expedite the process because we would like to see the Government meet its obligations under the Montreal Protocol.

However, the Montreal Protocol is only a beginning. We heard from Greenpeace that we have the capacity to do so much more. Then when we heard from industry what is not being done in the very specific area of refrigeration, it shocked me to know that one single company in Canada uses 300,000 pounds of CFCs a year and that most of those 300,000 pounds are put into refrigerators and leak out with very little regard to

hermetic sealing, with very little regard to making sure that CFCs do not escape into the atmosphere.

I would say that we have a tremendous amount of work to do in this area. The legislation put forward by the Minister to clear up an anomaly which his own Government created is at least a step in the right direction. We will be waiting anxiously for a further report from the companies involved in the use of CFCs across this country, as well as from the Government, in respect of the attitude and implementation of the Montreal Protocol in relation to Crown corporations.

This first step, while welcome, certainly is long overdue and should be accompanied by strong legislation to deal with the hundreds of thousands of refrigerators which we sell to consumers every year and to deal with the thousands of refrigerators which we import from the United States for disposal. They end up in dumping grounds and they end up leaking CFCs into the atmosphere when they are compressed by being squashed on dump sites. At the moment, the Minister who is responsible for the Montreal Protocol, who should be working for a stronger law, is completely ignoring the danger that the leakage of CFCs is already creating in the atmosphere that we need to breathe, and the ozone layer that we need to survive.

[*Translation*]

Mr. François Gérin (Mégantic—Compton—Stanstead): Mr. Speaker, I listened to our colleague opposite talk about this Bill and I find that she is going a little fast. I think that instead of making all the criticisms that she made now, she should have taken the oportunity to congratulate the Minister of the Environment Minister (Mr. L. Bouchard) who is perhaps the finest Environment Minister this Parliament ever had. I think that we should all acknowledge this and applaud him, because if we take my colleague's line of argument, for example, repairing a refrigerator which contains a minute quantity of CFCs, chlorofluorocarbons, the way she wants, Mr. Speaker, would mean that people would be without refrigerators for five or six months. Mr. Thompson of Camco explained this problem to her in committee yesterday and instead of accepting it, she would prefer to have Canadians do without refrigerators for five or six months so that a very small quantity of CFCs, which are quite a bit less harmful, do not escape into the atmosphere. You want to stop me, Mr. Speaker.

[*English*]

Mr. Cooper: Point of order, Mr. Speaker. I hesitate to interrupt the Hon. Member but we have had consultations with the three Parties and I think you would find that there would be unanimous consent for us to not see the clock for Private Members' hour at this point but to give us a chance for the Hon. Member—I think we have two Members from the Liberal Party, the Hon. Member for Davenport (Mr. Caccia) and the Hon. Member for Gander—Grand Falls (Mr. Baker). Then we have a Member speaking from the NDP. We will do that and then we will proceed into Private Members' hour.

• (1800)

Mr. Riis: Mr. Speaker, I do not quite understand what we have been asked to agree to do. I understood that we agreed to not see the clock for Private Members' Hour because there were a number of speakers yet and, if there are to be a number of speakers, there are certainly a number of speakers from the New Democratic Party who would want to participate in this debate. Perhaps we ought to have some consultation before agreeing to any change.

The Acting Speaker (Mr. Paproski): If there is to be further consultation, shall we then move on to Private Members' Hour?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): It being six o'clock p.m., according to order made Tuesday, June 13, 1989, the House will now proceed to the consideration of Private Members' Business pursuant to order made Monday, June 26, 1989.

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*Translation*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

MEASURE TO CHANGE NAME OF ELECTORAL RIDING OF TÉMISCAMINGUE

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, to speed up proceedings in the time allowed for

Private Members' Business, since several Members, including me, are to speak, I would like to have unanimous consent of the parties to withdraw my Bill.

The Acting Speaker (Mr. Paproski): Does the House agree unanimously to allow the Hon. Member to withdraw his Bill?

Some Hon. Members: Agreed.

Bill withdrawn.

[*English*]

Mr. Corbett: Mr. Speaker, I rise on a point of order. With the permission of the Hon. Member for Fredericton (Mr. Bird), who is unable to be here this evening, I would ask to present his Bill in his absence when his turn comes up in due course. I would like unanimous consent to proceed in that way.

The Acting Speaker (Mr. Paproski): Is there such consent?

Mr. Gauthier: Mr. Speaker, we have no difficulty with that. We on this side may have to do the same thing. It has been a long-standing practice that the House accepts the Bill, as long as the Member has introduced it or someone else is willing to do it for him.

The Acting Speaker (Mr. Paproski): Is that agreed?

Some Hon. Members: Agreed.

[*Translation*]

CHANGE IN THE NAME OF SAINT-LAURENT RIDING

Mrs. Shirley Maheu (Saint-Laurent) moved: That Bill C-239, an Act to change the name of the electoral district of Saint-Laurent, be read the second time and referred to a Committee of the Whole House.

She said: Mr. Speaker, it is a great pleasure and especially a great honour for me to speak on Bill C-239 to change the name of my constituency, Saint-Laurent, to Saint-Laurent—Cartierville.

The federal riding of Saint-Laurent includes the City of Saint-Laurent as well as the northwestern part of the City of Montreal, known as Cartierville and Saraguay.

[*English*]

The name Saint-Laurent has very strong affiliation with the boundaries of the city. In effect, by having the name of the riding changed, we are removing the confusion surrounding the actual boundaries of the riding with those of the city.

During the last federal election campaign when I was canvassing door to door, many of the people in the Montreal sector of my riding did not realize that they were in the federal district of Saint-Laurent. By changing the name of the riding to encompass both the Montreal and Saint-Laurent sectors of the area, no confusion will arise.

[*Translation*]

Mr. Speaker, I can say with pride that I have fulfilled one of my election promises. I heard and listened to the people of Saint-Laurent when they told me they wanted the name of their riding to reflect who they are.

[*English*]

It is for this reason that I tabled this Bill earlier this session. I must express my pleasure with the fact that seven Members of Parliament from all sides of the House have agreed to co-operate and pass through all stages these Bills at this sitting. We must listen to our constituents at all times for it is on their behalf that we sit in this Chamber.

Cartierville represents 25 per cent of the total population of the riding. I am sure that those people will be pleased to see that they will be more openly recognized as an integral part of the new federal riding of Saint-Laurent—Cartierville.

Motion agreed to, Bill read the second time, considered in committee, reported, concurred in, read the third time and passed.

MEASURE TO CHANGE NAME OF MARKHAM CONSTITUENCY

Mr. Bill Attewell (Markham) moved that Bill C-240, an Act to change the name of the electoral district of Markham, be read the second time and referred to Committee of the Whole.

He said: Mr. Speaker, it is a real privilege to rise to speak to Bill C-240. During the last election campaign, one of the main promises I made to the local people of Whitchurch—Stouffville was that we would recognize them by changing the name of the riding. Before I say a couple of words on that, I would like to thank the Hon. Member for Kingston and the Islands (Mr. Milliken). We chatted several months ago about a possible way to proceed on this matter.

When the House first reconvened before Christmas, I put in a Private Member's Bill. It was drawn to be debated, but it died on the Order Paper. The Hon. Member for Kingston and the Islands reminded me of the phrase that we are masters of our own proceedings here and tipped me off to the idea that if I could get the the concurrence of the three House Leaders, we could indeed pass such a Bill. I would like to thank that Hon. Member, as well as the Hon. Member for Kamloops (Mr. Riis), the Hon. Member for Ottawa—Vanier (Mr. Gauthier) and our own House Leader, the Hon. Member for Simcoe North (Mr. Lewis).

There are two compelling reasons why the name of the riding should be changed. One is that the riding of Markham actually covers every inch of two towns—the town of Markham and the town of Whitchurch—Stouffville. Making this change would recognize the residents of Whitchurch—Stouffville. As a matter of fact, my wife Sandy and I live in the Whitchurch—Stouffville area. There are about 20,000 people there and about another 140,000 in the town of Markham.

The other reason for the name change is that there is a provincial riding of Markham which covers only the town of Markham. I believe this change will also help to remove some confusion between the two ridings. It is with great pleasure that I speak to Bill C-240.

Motion agreed to, Bill read the second time, considered in committee, reported, concurred in, read the third time and passed.

• (1810)

MEASURE TO CHANGE NAME OF FREDERICTON CONSTITUENCY

Mr. Bob Corbett (for Mr. Bird) moved that Bill C-241, an Act to change the name of the electoral district of Fredericton, be read the second time and referred to Committee of the Whole.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time, considered in committee, reported and concurred in.

Mr. Corbett (for Mr. Bird) moved that the Bill be read the third time and passed.

He said: Mr. Speaker, I wish to advise the House that the Hon. Member for Fredericton was unable to be here this evening. He asked me to carry forth the Bill on his behalf before the House. Members who are familiar with the constituency of Fredericton will recognize that the boundaries and borders of Fredericton itself go well beyond the City of Fredericton into both the counties of York and Sunbury.

It is for that reason that the Hon. Member for Fredericton, very realistically, would like the name of the constituency to be changed to reflect the composition of the constituency as a whole. In future sessions that will be well recognized by the House. I appreciate the opportunity to carry forward this message this evening.

Motion agreed to, Bill read the third time and passed.

MEASURE TO CHANGE NAME OF CONSTITUENCY FROM RENFREW TO RENFREW—NIPISSING—PEMBROKE

Mr. Len Hopkins (Renfrew) moved that Bill C-245, an Act to change the name of the electoral district of Renfrew, be read the second time and referred to Committee of the Whole.

He said: Mr. Speaker, this Bill became necessary because the Electoral Boundaries Commission did not accept the advice that was given to it during the hearings. The name Renfrew refers to Renfrew County and the Town of Renfrew, but the City of Pembroke was left without any identification whatsoever in the riding name. It is the largest municipality between Ottawa and North Bay.

A large part of my constituency includes a large chunk of the District of Nipissing, the eastern half of Algonquin Park and communities such as Whitney and Madawaska. These communities were left without any identification when the word "Nipissing" was dropped from the name of the riding.

I wish to point out that I am not asking for something new in this Bill. I am only asking for what was there before. You will recall, Mr. Speaker, that prior to redistribution my constituency was Renfrew—Nipissing—Pembroke. If we revert to that name, it will mean that the people who live in the District of Nipissing and

the southwestern part of the constituency will have identification with the title.

It will also mean that the population resident in the City of Pembroke will also have identification. It has always been that way. Now that the three names are back again, when the riding is mentioned people will realize that it is large. It is approximately 160 miles long and 90 miles wide at the widest point.

In rural ridings people like to have their own identification. Reverting to the original name of the riding will give that identification back to the various regions of the riding. That meant that more people were taken into the riding to include the areas of Whitney and Madawaska.

Those areas were in a constituency years ago with the former riding of Renfrew South which was represented by the Hon. Joe Greene, and for some 22 years by Dr. McCann. Now those areas have been included with the Renfrew County area which includes the original Renfrew North, Renfrew South, plus a large section of the District of Nipissing which used to be in a separate riding. A large part of the Nipissing area was included with the North Bay area. Now it is included in the riding of Renfrew and will become part of the riding of Renfrew—Nipissing—Pembroke.

In conclusion, I wish to make one further comment. The secretary of the Electoral Boundaries Commission spoke to me on two occasions when I appeared before the Electoral Boundaries Commission. He attempted to get me to justify why I wanted the three names in the riding name. I pointed out to him that it had been there before him. I also pointed out to him on the map where those various sections were located. He was not too easily disposed to giving it back the triple name of Renfrew—Nipissing—Pembroke, and I could see that. As a result, when the Electoral Boundaries Commission reported back it left it as a single-named constituency.

In future, I would hope that Electoral Boundaries Commission would take seriously the identification of the various areas of large rural ridings when people appear before the committee with the proposition that certain areas of the riding should be included. I do not know how long the name of the riding of the present Minister of National Health and Welfare (Mr. Beatty) is at present, but I recall at one time there were approximately five counties included in the name of his riding, and that applies to others in the House as well.

I am pleased today to have the former name of Renfrew—Nipissing—Pembroke for my constituency.

Motion agreed to, Bill read the second time, considered in committee, reported, concurred in, read the third time and passed.

• (1820)

[*Translation*]

MEASURE TO CHANGE THE NAME OF THE ELECTORAL DISTRICT OF RESTIGOUCHE

Mr. Jean-Robert Gauthier (for Mr. Guy H. Arseneault) moved: That Bill C-252, an Act to change the name of the electoral district of Restigouche, be read the second time and referred to a Committee of the Whole House.

Mr. Douglas Young (Gloucester): Mr. Speaker, it is a great pleasure for me to take a few minutes to explain why my friend and colleague from Restigouche (Mr. Arseneault) has proposed this change in the name of his constituency.

The wonderful riding of Restigouche, which extends from the limits of the Republic of Madawaska, is a region of New Brunswick that I know very well. It includes several towns and villages such as Kedgewick, Saint-Quentin and Saint-Jean-Baptiste. The main industries are forestry and fishing.

Nevertheless, Mr. Speaker, the region of Campbellton, Dalhousie, Balmoral, Pointe Verte, Petit Rocher and Beresford along the Baie des Chaleurs are quite different from the upper part of the riding of Restigouche and, Mr. Speaker, I think it is important to note the reason for the word "Chaleur" which my colleague wants added to describe his riding. It comes from the Baie des Chaleurs, which was discovered, if I am not mistaken—

An Hon. Member: In 1534!

Mr. Young (Gloucester): In 1534! In any event, Mr. Speaker, my colleagues from Québec know the Baie des Chaleurs very well because this region borders the Gaspé peninsula. I can readily understand why my colleague prefers to have his riding known by the historic name of Restigouche, in recognition of the beautiful Restigouche River, one of the most famous salmon rivers in the world, which all of us know very well, and also, of course, by the Baie des Chaleurs.

I want to join the Hon. Member for Ottawa—Vanier in suggesting to my colleagues in the House that it would be most appropriate that the name of this constituency from now on be Restigouche—Chaleur.

[*English*]

Motion agreed to, Bill read the second time, considered in committee, reported, concurred in, read the third time and passed.

MEASURE TO CHANGE NAME OF CONSTITUENCY FROM WINDSOR—LAKE ST. CLAIR TO WINDSOR—ST. CLAIR

Mr. Howard McCurdy (Windsor—Lake St. Clair) moved that Bill C-254, an Act to change the name of the electoral district of Windsor—Lake St. Clair, be read the second time and referred to Committee of the Whole.

He said: Mr. Speaker, I will not speak at great length on this Bill. I think the Bill was adequately explained in my intervention of the other day.

However, the present riding of Windsor—Lake St. Clair is the former riding of Windsor—Walkerville which experienced some minor changes involving perhaps 20 city blocks that resulted in no essential change in the over-all geography of the constituency. Nevertheless the name was changed to Windsor—St. Clair.

The riding is an interesting riding, partly by virtue of the nature of its representation in the House of Commons. It is a riding which I am proud to represent. It is varied in all of its characteristics—demographically, industrially and otherwise. In a manner of speaking it is a prototype for all of Canada in its demographic composition. in the nature of its economy, its industry, and so on.

There is an implication in the name that I find just a little bit unsuitable, that is, the suggestion that there resides in Lake St. Clair any of the electorate of my riding. Of course, that is not true.

The name that I suggest would describe the fact that part of the riding is composed of 40 per cent of the City of Windsor on the eastern side and extends through to Tecumseh, to St. Clair Beach. The name is appropriate in that it calls attention to its circumscription as including those communities.

I hope this Bill will be passed promptly and with great celebration.

• (1830)

Motion agreed to, Bill read the second time, considered in committee, reported, concurred in, read the third time and passed.

The Acting Speaker (Mr. Paproski): The time for the consideration of Private Members' Business has now expired.

GOVERNMENT ORDERS

[*Translation*]

CANADIAN ENVIRONMENTAL PROTECTION ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-22, an Act to amend the Canadian Environmental Protection Act, as reported (without amendment) from the Standing Committee on the Environment.

The Acting Speaker (Mr. Paproski): Resuming debate. The Hon. Member for Mégantic—Compton—Stanstead (Mr. Gérin).

Mr. Gérin: Mr. Speaker, as I was saying before the House proceeded to Private Members' Business, if we want to eliminate CFCs immediately without giving companies enough time to find substitutes for this dangerous product, if we want to do so immediately, it would mean that Canadians who have problems with their refrigerators today would have to do without for six or seven months.

As I understand it, the Liberal Member is asking us and asking companies to stop fixing refrigerators in Canada because this might release a small amount of CFCs into the atmosphere which, according to the Hon. Member, would be more harmful than the fact that Canadians would not have a refrigerator for five or six months. I think this shows, Mr. Speaker, how frivolous the requests of Liberal Members can be.

Another point I would like to raise with respect to this Bill, Mr. Speaker, concerns a comparison between the French and English versions of the Bill. The fact is, the Bill contains only two clauses. The purpose of the first clause is to replace the English version of the Bill. There is absolutely nothing that amends the French text of the Bill. Why? Because it says in the English version:

Subject to subsection (4).

This did not appear in the French version. It was explained to us that this was because in French the text can be understood without any further indication and that our Anglophone friends would not understand if it were not included.

Subject to subsection (4).

That is the only amendment to subsection 33(1). In French there is nothing. Then it says:

(2) Subsection 33 (2) of the said Act is repealed.

And here I understand that it is repealed in French as well as in English.

In the second clause the amendments only appear in English and there are no amendments, except for the addition of the word "décret", in French. The Government's language experts explained that this is because our Francophone linguists draft the legislation without consulting with their Anglophone counterparts, and so we get two legal texts which, we hope, are similar. Mr. Speaker, I still say that, to Canadians who are trying to understand the Bill, both versions don't always mean the same thing. As far as I am concerned, when I look at the English text, the words:

—is *given* an opportunity to *provide* its advice

doesn't mean the same thing as the French:

—la possibilité de formuler

It isn't the same. I fail to understand how people can draft legal texts that will make it so hard for Canadians to understand them. However, I realize that voting against bills like that may not be enough.

I would like to add that since both the French and English versions of bills introduced in this House have the same authority, this may be a terrific headache for people who subsequently have to interpret these bills. Instead of having Francophone and Anglophone experts each drafting the same bill separately, they should consult each other and work together and thus avoid the kind of situation we have here in this very short Bill with only two clauses.

Mr. Speaker, that is the point I wanted to make, and I think that in the present case it is a fact, and the experts have said as much, that the French version of the Bill gave a far more faithful rendition of the Department's and the Government's intentions than the English version. So as a Francophone, I am of course quite pleased, and I will vote in favour of the Bill. However, I wish that Anglophone and Francophone linguists in the Government would consult when drafting the respective versions of the Bill, in order to avoid these problems.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I would first of all like to say that on this side of the House, we feel that—

[*English*]

This Bill is very narrow in its scope. It is necessary in order to implement measures that were in the intent and spirit of the law, but we have to take this opportunity to register with the Government the fact that the law known under the name of the Canadian Environmental Protection Act is flawed and must be corrected.

The first reason concerns the fact that the federal Government cannot set national enforceable standards as we experienced in the case of PCBs. The next reason is that the Minister of the Environment (Mr. Bouchard) is the only person in Canada who can seek an injunction to stop a violation of the Act. Then there is the shortcoming that the law, *per se*, lacks a prohibition clause which does, for instance, exist in Section 33 of the Fisheries Act and which would make the release of any pollutant, not just those listed in the Schedules of the Act, an offence.

Finally, in the event of an emergency, the federal Government cannot move alone but must have consultations with the affected provinces. This, in the case of an emergency, is not a very desirable requirement.

The enforceable national standards were lost in the discussion in committee when the Canadian Environmental Protection Act eventually became law. It was lost in three stages as it went through the legislative committee process. It was in essence a political decision by the Conservative Government which was ready and willing to give up its right to establish and enforce federal regulations. That development was tantamount to the abdication of federal powers to create and allow for the formation and implementation of federally enforceable national standards.

• (1840)

The first practical application came about with the PCB regulations. You will recall that in the aftermath of the Saint-Basile-le-Grand tragedy and disaster the federal Government finally decided to move. The first item on the agenda was safe storage. At that time the then Minister of the Environment was quoted as saying, "The actions I am taking ensure that PCB storage sites in every part of Canada meet high national standards".

Well, within two months nine provinces had sought and obtained exemption from such standards. By May 12, 1989, all provinces except Prince Edward Island and the Territories were granted exemption from the so-called high national standards of the former Minister of the Environment.

In order to be recognized as equivalent standards, the provinces simply have to meet two criteria. The first criterion is that there must be a provincial investigation process similar to the one contained in Sections 108 to 110 of the Canadian Environmental Protection Act. Briefly, Mr. Speaker, these two sections allow two individuals to request that the Minister of the Environment investigate an alleged violation of the Act. The Minister must then investigate the allegations and report in writing in 90 days on whether or not charges will be laid.

The second requirement which exists under the Environmental Protection Act is that the regulations in the provinces must be the same as the federal regulations. As far as we can determine there is not a province in Canada which has the same provisions for investigation of an offence as are contained in the federal law.

It is astounding that provinces are not required to have the same penalties and fines as are contained in the federal legislation in order to be granted this equivalency. This makes a mockery of the statements made by the previous Minister of the Environment, the present one, and the Government in general that the Canadian Environmental Protection Act is the toughest legislation in the western hemisphere.

If the provinces are able to supersede federal law with penalties that are a fraction of the federal penalties the concept of national standards is evidently seriously eroded. So while the facade looks very strong, behind the facade there is weakness.

Furthermore, the equivalency provisions of the Environmental Protection Act, as it stands now, and the way that the PCB storage regulations were handled considerably erode our confidence in the commitment of the Government to bring in tough and enforceable national standards for other toxic substances, as in the case of CFCs, dioxins, furans, et cetera.

In their publication *Healing the Sky* released just a few days ago Friends of the Earth say that under the Canadian Environmental Protection Act the Minister of the Environment has the power to do several things. For instance, the Minister can ban immediately chlorofluorocarbons in aerosols, in rug underpadding and foam packaging. He can ban chlorofluorocarbons in polystyrene foam insulation, solvents for metal cleaning, and flexible foam by July of next year. He can ban the use of chlorofluorocarbons in new car air conditioners which are not hermetically sealed as of the 1991 model year. He can ban chlorofluorocarbons used as solvents in the electronics industry and for sterilization also by July, 1991. Finally, he can require recycling, recovery, system modifications and selective replacement with alternative chillers by the year 1992.

Taken together these five initiatives, in the opinion of Friends of the Earth, could reduce the production of chlorofluorocarbons in Canada by 67 per cent within the next three years. It is important that this publication be somehow brought to the attention of this House because it is relevant to the purpose and the technical intent—but nevertheless the intent—of the Bill we are debating because it relates to chlorofluorocarbons.

But, Mr. Speaker—and this is a big "but"—in order to proceed with these five suggestions and implement them the Minister must utilize enforceable national standards. Allowing provinces to opt out through the equivalency provisions would seriously endanger the success of such a reduction program because the enforcement that the regulations would end could vary from province to province. This is where the problem would arise.

Therefore, whether it is PCBs, chlorofluorocarbons, dioxins or a toxic substance yet to be identified, the Canadian Environment Protection Act will be successful in cleaning up Canada only if it is implemented and enforced nationally. The Minister of the Environment need not grant equivalency provisions to provinces that seek them. We would urge, on the contrary, the Minister to exert the force of a strong federalism in the protection of the environment. He will achieve that end in relation to the chlorofluorocarbons and the five measures suggested by Friends of the Earth and in relation to other substances that are still to be covered in the Schedule of

the Bill, on which we hope there will be swift movement on the part of the Government once Bill C–22 is passed, only if he invokes national enforceable standards and makes them the instrument and the priority of the Government when it comes to cleaning up the environment.

Bill C–22 allows an opportunity to deal beyond the narrow technical scope of the Bill itself because behind the proposed changes there is this big and important question of national enforceable standards to which the Government, unfortunately, is not paying attention.

We have had this experience with PCBs. You have heard the description of what happened, Mr. Speaker. We would not like to have that experience again whereby the vast majority of the provinces seek an exemption, apply their own so–called equivalency standards, but do not have in place the same measures for compliance, enforcement and penalties as has the federal legislation. This serious shortcoming must be brought to your attention and to the attention of the Government, Mr. Speaker.

I see that the Parliamentary Secretary is listening very attentively, as he always does, and I am sure that he will register these views in discussions with his Minister. Because he believes in strong enforceable national standards I am sure that he will lend a hand in ensuring that in the toxic substances yet to be detected those standards will not be by–passed by way of equivalency sought by the provinces.

• (1850)

The Acting Speaker (Mr. Paproski): I regret that I did not recognize the Hon. Member for Skeena (Mr. Fulton) before the Hon. Member for Davenport (Mr. Caccia). It was just an oversight. It is getting late in the afternoon.

Mr. Jim Fulton (Skeena): Mr. Speaker, I know you were very busy just prior to this debate beginning. That probably had something to do with it.

We are on third reading of Bill C–22 which Members of this House know is rather a short Bill. It amends Sections 33 and 34 of the Canadian Environmental Protection Act. The officials like to describe it as a housekeeping matter, but in fact there are nine families of toxic substances on Schedule I of the Canadian Environmental Protection Act that simply cannot be regulated at the moment other than through interim orders which are very difficult and unwieldy.

Of particular interest to the House, and I think to Canadians, is the reason for the urgency in getting this Bill through and why Members of this House are working together so that it can become law and so that substances such as chlorofluorocarbons can in fact be more expeditiously regulated.

Unfortunately what we have learned during the rather brief committee hearings that we have had on Bill C–22 on CFCs is that the approach being taken by the Government of Canada, and particularly by the Minister of the Environment (Mr. Bouchard), are totally inadequate. As we can see from their most recent publication of April, 1989, called *Preserving the Ozone Layer: A Step Beyond*, a report on options for meeting Canada's objectives to completely eliminate emissions of controlled ozone depleting substances within the next 10 years, is, by definition, an inadequate response to an extremely serious and severe global problem, namely the depletion of the ozone layer.

In this publication on preserving the ozone layer, the principal culprits or problems that we have throughout the world, and certainly in wide use in Canada, are listed in seven main categories: rigid foam, flexible foam, refrigeration and air conditioning, solvents, sterilants, bromofluorocarbons which are more commonly and widely known as halons, and aerosols. I think the first couple of paragraphs of the publication are worth putting on the record for those who want to have a better understanding of the process that has been gone through by the Government of Canada before I put some other remarks on the record as to what we should really be doing.

> Global efforts to address stratospheric ozone depletion have been under way since 1981. The Vienna Convention for the Protection of the Ozone Layer entered into force on September 22, 1988.
>
> As of March 1, 1989, 37 countries, representing the vast majority of the industrialized nations of the world, had ratified this Convention. The Convention provides the framework for co–operative activities, including the exchange of data or information related to the ozone layer. This Convention provides for the subsequent creation of protocols (free standing treaties) for matters such as control of specific

pollutants or families of pollutants. The first such Protocol created was the Montreal Protocol on Substances that Deplete the Ozone Layer.

The Montreal Protocol was signed in Montreal, Canada on September 16, 1987. It is clearly a watershed in co-operative and collaborative international undertakings. It introduces many new features never before established in international law.

The Montreal Protocol has two requirements for entry into force; namely, 11 signatures of ratification by countries and these countries must represent at least two-thirds of global consumption of the controlled substances. The Montreal Protocol entered into force on January 1, 1989 and as of March, 1989 had already obtained 33 ratifications, again representing most of the industrialized states of the world.

In May, 1988, Environment Canada published its first Control Options Report titled: "Preserving the Ozone Layer: a first step". This report set out a series of options to implement regulations to meet Canada's obligations under the Montreal Protocol.

The Montreal Protocol calls for a 50 per cent cut back in the 1986 levels of consumption of five chlorofluorocarbons (CFC 11, 12, 113, 114, 115) and a freeze at 1986 consumption levels of three brominated fluorocarbons called Halons (Halon 1211, 1301, 2402). At a series of United Nations Environment Programme (UNEP) meetings held in the Hague, Netherlands, in October 1988 the world's leading scientists expressed the consensus viewpoint that the Antarctic hole will remain unless the emissions of controlled CFCs are reduced by at least 85 per cent from the 1986 levels. The target reductions contained in the Montreal Protocol are currently undergoing international review. This review is expected to culminate in amendments that will tighten the Montreal Protocol.

Canada contributed to both the organization and conduct of the UNEP meeting in the Hague and fully supports the notion of reducing consumption further.

On February 20, 1989 the Federal Government of Canada announced that it had set as its objective the complete elimination of controlled CFCs within the next ten years.

It also called on the rest of the world to set as its common target a reduction of no less than 85 per cent by no later than 1999.

As I said, at the brief committee meetings that we have had in the last while, we learned a number of interesting things; in particular that not only is Canada not moving fast enough; most countries and most political leaders around the world are not taking this matter in any way seriously enough.

I pointed out the seven main families of materials in use in our society that need immediate reduction and recycling and re-use. The breakdown in terms of CFCs in Canada right now are aerosols, 9 per cent, rigid foams, 33 per cent, flexible foams, 8 per cent, in the field of refrigeration, 36 per cent, domestic refrigerators composing 3 per cent and solvents, 10 per cent.

As we heard from witnesses, we must move to stop the easy ones. Many of those were identified. We must make the technology available now and make the removal of CFCs, for example, from home refrigerators mandatory. Then, if one needs a reinjection of CFCs, one can take it from other units that are being disposed of for other reasons.

In regard to automobiles, as we heard from witnesses yesterday, they lose up to 35 per cent of CFCs from their air conditioning units within the first couple of years of operation because the units are not hermetically sealed. Then there are the big refrigeration units and so on. There are ways now to immediately and dramatically reduce the amount escaping into the atmosphere. The Government of Canada and the provincial Governments are not taking serious enough action to introduce the technology, to train the maintenance personnel, to make recycling equipment available at auto wreckers, at car dealers, at gas stations and so on, to make sure that CFCs that are escaping or are likely to escape are recovered.

As we heard from witnesses from General Electric last night, one of the problems that is addressable by the Government of Canada is that CFCs right now only cost between $1 or $2 a pound. They are very inexpensive. So in fact there is encouragement to continue to allow the release and the incomplete design and construction of compressors and holding equipment that have CFCs in them.

We heard from the refrigeration people that the foam that has CFCs in it loses 10 per cent of its CFCs over the life of the fridge. As I have said, automobiles lose 35 per cent from their air conditioners. To give some idea of what kind of quantities are in your average size fridge, there are two to four pounds of CFC 11 which is in the insulation and six to eight ounces of CFC 12 which is in the cooling system.

We heard from Mr. John Bennett of Greenpeace before the committee earlier this week who gave an excellent brief called "Stop It Now" which is its response to the Canadian CFC Control Program. Its suggestions are the following: Ban the production of CFCs and halons in Canada; expand the list of controlled ozone depleting compounds and establish a national recycling and recovery program. These seem to me, Mr. Speaker, to be things on which the Government could move if it were listening seriously enough to what the international

scientific community is saying, not only about the Antarctic ozone hole but about the holes that are now starting to appear over northern Canada. There may, in fact, be other holes and depletion areas within the ozone layer that simply have not yet been identified. The brief goes on to say:

> There are millions of tonnes of chlorine floating around in the atmosphere destroying the ozone layer. If we do not stop polluting it now we will not be able to protect our children,—

Also included is a rather appropriate quotation from Dr. Klaus Toepfer, Environment Minister for the Federal Republic of Germany. He said:

> "The affluent society is not dependent on CFCs. But even if it were, one would, I believe, have to accept this cut in living standards."

For a CFC control plan the witness from Greenpeace suggested a number of areas that need to be moved on: One, timing. Two, controlled compounds. Three, disclosure of information. Four, environmentally safe alternatives. Under the heading "Timing" we find the following:

> The earth can no longer afford the cost of a slow phase-out of CFC production and use.
>
> The Government of Canada must immediately ban the production of CFCs and halons and limit their use to an extremely few exceptions for life-saving applications.
>
> The Government of Canada must immediately increase its commitment to preserving the ozone layer by substantially expanding the resources it devotes to eliminating ozone depletion and expanding its enforcement capability.
>
> The Government of Canada must immediately establish national regulations requiring recovery and recycling of CFC refrigerants in all applications until new technology replaces them.

Let me say the proposal made by Mr. Bennett is so obviously capable of being implemented. The compressor technology for removing CFCs from existing units is available. It could be made substantially more compact and movable to be taken out of utility vans into the home. It can be easily moved around in plants where CFCs need to be moved between different pieces of equipment. The technology, the effort and I am sure the will of the Canadian public is there to participate in such a program even if it costs more, Mr. Speaker. We have learned from poll after poll that Canadians are prepared to pay significantly more for a safe, healthy, clean environment. What is missing, the fundamental missing link, is political will. That political will is missing right now from the Minister of the Environment (Mr. Bouchard) to take the kinds of serious steps he is capable of taking under CEPA. It goes on to say:

> The Government of Canada must immediately establish a national recycling program and not leave it up to municipalities or other governments to operate as indicated in "Preserving the Ozone Layer".

We have heard in this House many times the problems right across the country of cars simply being wrecked with their air conditioning systems in them. CFCs are released. The same is true of refrigeration units and many other things. Under the heading "Controlled Compounds" Greenpeace suggests that the list of controlled substances must be expanded to include HCFCs, methyl chloroform and carbon tetrachloride. We have yet to hear from the Minister of the Environment what his plans are on those compounds.

• (1900)

The Environmental Policy Institute and the Institute for Energy and Environmental Research in the United States examined various scenarios for eliminating carbon tetrachloride and methyl chloroform in addition to controlled CFCs and halons. The study suggests that if emissions of these CFCs decline to zero by 1995, if carbon tetrachloride growth rate was in the middle of the zero to 3 per cent range cited by the World Meteorological Organization and methyl chloroform grew by less than the WMO's 8 per cent projection, atmospheric chlorine levels would increase from 30 million tons in 1987 to over 90 million tons by the year 2000. Alternatively, if carbon tetrachloride and methyl chloroform were phased out by the year 2000, chlorine levels would fall from 30 million tons to 1.7 million tons by the year 2000. It is essential for the Government of Canada to ban carbon tetrachloride and methyl chloroform and to ensure these compounds are included in the international agreements on the ozone layer.

On international activity, Greenpeace states:

> The Government of Canada must support an international fund to aid Third World countries in complying with a 100 per cent CFC ban.
>
> Secondly, the Government of Canada should promote a vastly expanded international program which includes banning all CFCs, Halons, HCFCs, methylchloroform and carbon tetrachloride.

On disclosure of information, as suggested by Greenpeace, Canada should support Norway, the U.S.S.R., New Zealand and Zambia in calling for the public release of data on a country-by-country and product-by-product basis for all ozone depleters. For anyone who has been around here for a while, or involved in politics anywhere, knows that access to information is absolutely fundamental to getting public support and political action for safe alternatives.

On environmentally safe alternatives, Canada should move completely away from chlorine-based substitutes, as there are a range of serious toxic pollution problems associated with them quite apart from their ozone depleting and global warming potentials. The solution to the CFC problem is in finding the best alternatives that are not synthetic. We come to the "100 per cent reduction, is it feasible?" In the refrigeration sector, a large volume of CFCs are stored in existing commercial freezer and cold storage systems. Much of the demand for CFCs in this sector is artificially created by wastage and could be met by recovery and recycling. As much as 70 per cent of the CFCs used in refrigeration is lost through leaks and other wastage.

As for foam blowing, packaging for hamburgers and fast foods, other presently available products can be substituted. Insulant foam used in building can be eliminated in most applications by use of alternatives without serious technical or cost consequences. CFCs used in solvents can often be replaced by aqueous cleaning, which preceded the use of CFC-113. Some solvent use can be replaced with organic terpenes and "clean mount" techniques. The use of halons can be avoided by installing other types of systems; for example, carbon dioxide or water sprinklers combined with other measures. Recovery and recycling of existing halons could service existing fire-fighting equipment where halons are used in life-saving applications for which no other substitutes can be found.

On ozone depletion, we find that the earth's ozone layer is being destroyed by chlorine and bromine released into the stratosphere by a group of chemical compounds known as chlorofluorocarbons and halons. The depletion of the ozone layer will result in skin cancers, eye damage and crop destruction as increasing amounts of ultraviolet radiation from the sun reach the earth's surface.

Already, British scientists and NASA have identified a hole in the ozone layer over Antarctica and a thin area of the ozone layer over the northern hemisphere has been observed. Alarmed by the rapid depletion of the ozone layer, more than 40 western nations signed the 1987 Montreal Protocol which calls for a 50 per cent reduction of CFC emissions by 1999.

Joe Farman in the *New Scientist* for November 1987 said:

> A 50 per cent cut in world consumption of CFCs will not be enough to save the ozone layer. The emissions of CFCs are so large that they are accumulating rapidly. If we wish the amounts of CFCs to remain constant, we must cut emissions so that they are equal to the losses, that is to say, roughly 15 per cent of the current level.

Joe Farman, a member of the British Antarctic Survey, is credited with identifying the hole in the ozone layer.

In 1988 the EPA said to maintain stratosphere chlorine at current levels would require a 100 per cent phase-out of the Montreal CFCs with 100 per cent participation. In other words, just to maintain the ozone layer in its present state there must be an immediate 100 per cent reduction of CFC production.

If there is more time, Mr. Speaker, I could go on.

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

Some Hon. Members: Agreed.

An Hon. Member: On division.

Motion agreed to, Bill read the third time and passed.

* * *

PLANT BREEDERS' RIGHTS ACT

MOTION THAT DEBATE BE NOT FURTHER ADJOURNED

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I move:

Plant Breeders' Rights

That the debate on second reading and reference to a legislative committee of Bill C-15, and on any amendments proposed thereto, shall not be further adjourned.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the yeas have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Call in the Members.

The House divided on the motion which was agreed to on the following division:

• (1910)

(*Division No. 57*)

YEAS

Members

Anderson
Andre
Atkinson
Attewell
Beatty
Belsher
Bernier
Bertrand
Bjornson
Blackburn (Jonquière)
Blenkarn
Bosley
Bouchard (Roberval)
Bourgault
Boyer
Brightwell
Cadieux
Campbell (Vancouver Centre)
Cardiff
Casey
Chadwick
Champagne (Champlain)
Charest
Chartrand
Clark (Yellowhead)
Clark (Brandon—Souris)
Clifford
Cole
Collins
Cook
Cooper
Corbeil
Corbett
Côté
Couture
Crosby (Halifax West)
Darling
DeBlois
de Cotret
Desjardins
Dick
Dobbie
Domm
Dorin
Edwards
Epp
Fee
Feltham
Ferland
Fontaine
Friesen
Gérin
Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)
Greene
Guilbault
Gustafson
Halliday
Harvey (Chicoutimi)
Hawkes
Hicks
Hockin
Hogue
Holtmann
Horning
Hudon
Hughes
James
Jelinek
Kilgour (Edmonton Southeast)
Koury
Landry
Langlois
Larrivée
Layton
Leblanc (Longueuil)
Lewis
Littlechild
Lopez
MacDonald (Rosedale)
MacDougall (Timiskaming)
MacKay
Malone
Marin
Martin (Lincoln)
Mayer
Mazankowski
McCreath
McDermid
McDougall (St. Paul's)
McKnight
McLean
Merrithew
Monteith
Moore
Nowlan
Oberle
O'Kurley
Plamondon
Plourde
Porter
Pronovost
Redway
Reid
Reimer
Ricard
Robitaille
Roy-Arcelin
St-Julien
Schneider
Shields
Siddon
Sobeski
Soetens
Sparrow
Stevenson
Tardif
Têtreault
Thacker
Thompson
Thorkelson
Tremblay (Rosemont)
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Turner (Halton—Peel)
Valcourt
Van de Walle
Vankoughnet
Venne
Vézina
Vien
Vincent
Weiner
Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)
Worthy—136

NAYS

Members

Allmand
Althouse
Baker
Benjamin
Bevilacqua
Blaikie
Blondin
Boudria
Brewin
Caccia
Campbell (South West Nova)
Clancy
Copps
Crawford
Dionne
Ferguson
Finestone
Flis
Fulton
Funk
Gaffney
Gardiner
Gauthier
Grey (Beaver River)
Guarnieri
Harvey (Edmonton East)
Heap
Hunter
Jordan
Karpoff
Keyes
Kilger (Stormont—Dundas)
Kristiansen
Langan (Mission—Coquitlam)
Laporte
Lee
MacAulay
MacDonald (Dartmouth)
MacLellan
MacWilliam
Manley
McCurdy
McLaughlin
Mifflin
Milliken
Nunziata
Parker
Peterson
Phinney
Pickard
Proud
Prud'homme
Rideout
Riis
Robichaud
Rodriguez
Rompkey
Simmons
Skelly (Comox—Alberni)
Speller
Stewart
Taylor
Vanclief
Young (Gloucester)
Young (Beaches—Woodbine)—65

• (1950)

The Acting Speaker (Mr. Paproski): I declare the motion carried.

I believe there is unanimous consent to allow the Hon. Member for Kitchener (Mr. Reimer) and the Hon. Member for Rosedale (Mr. MacDonald) to present committee reports.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

ABORIGINAL AFFAIRS—FIRST REPORT OF STANDING COMMITTEE

Mr. John Reimer (Kitchener): Mr. Speaker, I have the honour to present in both official languages the first report of the Standing Committee on Aboriginal Affairs, a review of the Post-secondary Students Assistance Program of the Department of Indian Affairs and Northern Development.

ENVIRONMENT—SECOND REPORT OF STANDING COMMITTEE

Hon. David MacDonald (Rosedale): Mr. Speaker, I have the honour to present in both official languages the second report of the Standing Committee on Environment relating to the Order in Council appointment of Raymond Robinson as Administrator in matters involving federal jurisdiction for the purpose of Sections 22 and 23 of the James Bay and Northern Quebec Agreement.

Pursuant to Standing Order 109, the committee requests that the Government table a comprehensive response.

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

* * *

BUSINESS OF THE HOUSE

Mr. Lewis: Mr. Speaker, I regret to say that there have not been discussions among the Parties but we are now debating Bill C-15 at second reading and I want to advise the House that in the event a recorded division is required at the end of debate at second reading of Bill C-15, the Government would be prepared to apply the result of the vote just taken to that recorded division.

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Riis: Mr. Speaker, the Government House Leader's timing is just a hair off tonight.

Some Hon. Members: Oh, oh!

Mr. Riis: If the Government is going to invoke closure on this very critical Bill, I think it is appropriate that Government Members be forced to stand up and show the people of Canada how they are voting.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): There is no agreement.

GOVERNMENT ORDERS

[*English*]

PLANT BREEDERS' RIGHTS ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-15, an Act respecting plant breeder's rights, be read the second time and referred to a legislative committee.

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I rise tonight to speak to this Bill being brought in under closure at second reading. It is a very complex Bill which will have a profound impact on this country and the potential food supply of this country if allowed to pass in its present form.

I recall as a young child going with my father in a Model A Ford to pick up registered seed grain from a local seed company. I remember him harvesting the wheat the next year when, in turn, he would sell that to other farmers in the area.

The advances in crop technology and plant breeding since that time have more than doubled the yields of those plants. This has been done through research by private companies as well as through the tremendous research and leadership performed by Agriculture Canada and the scientists there.

It is only in recent years that they pushed back the climatic borders by approximately 250 miles for the production of corn here in Canada through plant breeding. Just a few years ago only a certain area of Ontario could produce corn. Through selective plant breeding they were able to push back those boundaries. Those

varieties were developed to a large extent by the scientists who work at Agriculture Canada on our behalf.

This Bill disturbs me when I consider all the hunger in the world today, in places like Ethiopia. We have varieties of sorghum that will grow and thrive under conditions there. In fact, it is grown in the Sudan but is not being made available to the starving Ethiopians. In this context, we can only suggest that food is being used as a weapon. If legislation like this is passed without proper safeguards, it is not inconceivable that a few very large companies could hold the world to ransom in terms of their food supplies.

As a result of a previous drug Bill in the last Parliament, Bill C–22, we saw drug prices double in a very few months after that Bill became law, in spite of the assurances that this would never happen. It can happen in this case because this Bill has several flaws that I think have to be corrected, hopefully in committee if the Government intends to put the Bill through.

Let me outline a few areas of concern.

• (2000)

The first is subclause 2(2) and subclause 6(1) wherein there is provision that a country could protect varieties of certain species for 15 years, but in Canada that could be 18 years. I have no problem whatsoever with protecting some varieties for 18 years, but varieties of what? Grapevines or fruit trees, yes, but not seeds, not grain seed or vegetables or other types that mature in a matter of a few months or a year. Many grapevines are over 100 years old and are still producing. In fact, some of them even get better with time.

I could accept the 18–year provision for trees or grapes, but then I find that some of our Canadian scientists, some of whom are working with CIDA in Thailand, have developed new species of trees that will mature in eight years. We also have dwarf apple trees which will produce in a matter of three or four years. In committee we must look very hard at that 18–year provision. The limit for grains must be stipulated in the Bill, whether it is five, six or seven years.

My experience over the years has been that when a new variety of corn, wheat, or beans comes on the market, after six or seven years that variety starts to run out, as they say. It is not as good as it was the first year it was put on the market. Therefore, there must be a constant renewal of varieties, new developments that are disease resistant, resistant to the various types of bacteria, insects, or blights that may affect them.

Another area that I must question is that both federal and provincial Governments must comply with the provisions of plant breeders' rights. Usually what happens within a province is under provincial jurisdiction and what happens in international and interprovincial trade is under federal jurisdiction. I must wonder about why both levels of government must comply. Are we in fact imposing this on the provinces, and will they accept it?

Another area that we must look at in detail is the expansion of farmers' rights. They are mentioned in the Bill. A farmer is only given permission to grow his own seed from that which he has bought. He cannot help out a neighbour by giving him a few bushels to help him get established, or he cannot give some to a son. There was a drought in three of the last four years and farmers are very hard–pressed financially. I think there should be a relaxation of farmers' rights to enable them to give a few bushels to a neighbour or a son or to help someone in need without having to break the law.

This one is a real sleeper because it allows one to purchase seed in another country without infringing on plant breeders' rights as long as one does not plant the seed. I am speaking now of subclause 5(2). This would allow me to go to the State of Michigan in the United States and purchase seed without infringing on plant breeders' rights, but I cannot plant it when I bring it back home. If I cannot plant it, what in the world am I going to do with it? It will be treated with various seed treatments to protect it from insects and various diseases, but what do you do with treated seed? You certainly cannot eat it.

The danger in this clause is that if a multi–national seed company wanted to ensure that we in Canada are not given access to a certain superior variety of seed it can do so under subclause 5(2).

Under subclause 5(4) both the federal and provincial Governments may collect royalties on their varieties. This clause seems to make a great deal of sense until we realize that there is nothing in it that requires these royalties to go back into research in the public interest. The Government has cut research funding dramatically since 1984. I believe that a major portion of any earnings from royalties should be funnelled back into research in

the public interest to develop new species and varieties of plant seed.

There is nothing in this Bill to prevent a company from collecting very large royalties under this legislation. In fact in England these fees start out very low and then increase over several years.

It is very simple to see what will happen here. If a company develops any variety of seed, all it needs to do is let a few bushels out on the market for the first few years in test plots and publish the results. It can fertilize these plots very heavily and grow the plants under almost perfect conditions. It can publish the yields and through advertising promote these varieties very extensively. After they are out for a few years and it has done a lot of advertising, it can start jacking up the royalties. There is nothing in this legislation to stop it.

There is nothing in the legislation to stop a company from withdrawing a popular variety of plant from the market-place and replacing it with another on which it can collect a higher level of royalties. I think that is a very dangerous clause to have in the legislation without a ceiling to protect not only the rights of the farmers and producers but, in turn, to give the companies a return on their money.

I need only think back a few years to some of the supposedly new and superior varieties of wheat that were brought into Ontario. They did not originate here. I am not going to name them, but we all know that after a few years of experience with them we found they were not as good as some of our older varieties of wheat that had been on the market for several years. They were more prone to sprouting during a season of more moisture than is normal in Ontario. The heads stood straight up when they were ripe, consequently when the rains hit, the hulls acted as a cup and held the moisture around the germination end of the seed. The older varieties would turn over and shed the rain when they were ripe. A lot of farmers bought these new varieties thinking they were going to increase their yields. Even if they did increase their yields slightly, they ended up with a lot of sprouted wheat.

With regard to the seeds, again I will use the soybean seed as an example. The price of seed went up even though the price of commercial beans dropped dramatically this spring. These companies know that there is a captive market out there, and they charge what the market will bear.

Of course, this is nothing new in terms of farm input costs. For several years one chemical company was selling one particular patented type of herbicide for about twice as much in Canada as it was charging in other countries. I submit that these seed companies will do the same. They will charge whatever the traffic will bear when they get their protective legislation.

Clause 31 permits a variety to be assigned to another person. I presume that a person can be a corporation in the eyes of the law and, of course, if this is the case, there is nothing to stop a company from another country buying a variety and taking it off the market only to corner the market for its own particular products.

In Canada we already have an organization in place to market varieties produced by Agriculture Canada or the universities. That organization is SeCan which collects levies and royalties on the sale of new varieties. SeCan has about 2,200 members and membership is voluntary. In a sense it operates a partial plant breeders' rights system of marketing now, by marketing certified seed, of crops covered by Agriculture Canada's variety registration system.

One thing that is not known at this time is whether the royalties paid by our growers to foreign breeders will exceed or be balanced by royalties paid to Canadian breeders by foreign growers once a significant trade of protected varieties is established. We do not know at this time whether that balance of trade for new varieties developed will be in Canada's favour or will be against us.

I suggest, Mr. Speaker, that if we continue to cut back the research in Agriculture Canada and deprive the research scientists and the plant breeders of the funding they desperately need, the balance will very quickly turn to a deficit trade balance of seed produced in Canada.

• (2010)

We have persons saying that the multinationals will only dominate the industry if the public breeding program is seriously diminished and if the private varieties are superior. However, we have no commitment from the Government that the public programs will continue,

with the cut-backs in research involved in plant breeding, if it is left to the private sector outside of Canada.

I have some very serious reservations about this Bill. I hope that the Minister and the Government will consider making some major changes in committee. They have not come up with a dollar cost on the administration of this Bill. I think they should do that and look at the areas of concern that we have here in the Official Opposition.

From my own personal experience—I used to be a registered seed grower a few years back—one of the things we have to look at very seriously is the 18-year protection. Just to recap, it is far too long for any grains or seeds with the exception of grapes, orchard trees or fruit trees.

We should have a system of satellite seed banks established across Canada, not just the central bank here in the Ottawa region. We could keep samples of the various types of seeds that are grown in the Prairies, for example, in an environmentally controlled room. They could be stored for up to 300 years. These should be kept in the public trust so that no company could ever get their hands on them and destroy the parent genes and seeds. There should be satellite banks not just in the prairie provinces, but in British Columbia, Ontario, Quebec, and Atlantic Canada to protect the public interest. The cost of these would not be that great. A single room of about 400 square feet in the basement of any environmentally controlled building would be sufficient. We have also to beef up the farmers' rights and ensure that it is not a criminal act to give a bag of a particular variety of seed to a neighbour or to a son.

The fourth thing that I want to stress—and these again are my own personal thoughts on this matter—are that the royalties have to be directed back into research by Agriculture Canada. This issue is too important to be left to private corporations or the private sector.

We have some of the best research scientists in Canada. They have developed some of the best varieties in the world. Our western Canadian wheat grown out of Saskatchewan is the highest quality of wheat grown anywhere in the world. We simply cannot let those quality factors be diminished by turning it over to the private sector.

Mr. Howard McCurdy (Windsor—Lake St. Clair): Mr. Speaker, I listened with great interest to the speech by the Member from Lambton—Middlesex (Mr. Ferguson). I hope that much of what he said will be attended by the government side.

I do not count myself in any way an expert or even significantly knowledgeable about the impact of this legislation on agriculture in Canada or elsewhere. I do know that there are grounds for significant concern.

I am reminded of the debate on Bill C-22 which bore some similarity to this legislation. This legislation, however, has to do with living material. It has to do with germplasm. What this would do is provide a measure of exclusivity, 18 years of exclusivity, to those who have provided by means of genetic manipulation a plant variety that is sufficiently new, sufficiently distinguishable and sufficiently stable to be distinguished from other varieties or cultivars of that species of plant.

It is interesting that this exclusivity is based on the final product. There is nothing here which meets the test that patents are required to fulfil. It might be of use to refer back to a decision by Lord Duneden in *Pope Alliance Corporation v. the Spanish River Pulp and Paper Mill*, 1929 A.C. 269, page 281, where he states that a patent represents a quid pro quo. The quid to the patentee is the monopoly. The quo is that he presents to the public the knowledge it does not have.

Of course it is quite notable that in producing a new breed of plant, a new cultivar that has some significant utility, its newness, its distinctiveness, its homogeneity, and its stability as a final product are the characteristics which will determine whether a licence in effect will be accorded and whether exclusivity or a monopoly will be provided.

There is no requirement to describe the process of making those plans which have been used in developing the new breed available to others so that they can build on the germplasm pool that resulted in this new cultivar. In according a monopoly, we are denied the knowledge that usually goes with the patent. We are also denied knowledge of what plants, what germplasm needs to be preserved in the event that that new final product, the new breed of plant, the new cultivar should, as plants often do, lose their characteristics so that the process

could in turn be repeated even after the 18 years of exclusivity.

There have been a number of objections raised to this kind of legislation, objections which I think sustain the request, indeed the demand, on the part of many that this Bill be accorded broad hearings so that the public will have an opportunity to make its case.

I think it would be appropriate however to consider just for a moment what is really involved here. I am a biologist. I never really thought that living things should be the particular property of anybody. As we develop these new high-test breeds with fantastic characteristics, with the ability to withstand pests, insects, disease, climates, different soils, and so on, we have operated on the availability of genetic variation that exists within the species throughout the world.

• (2020)

Where did wheat come from? Where did barley come from? Where did potatoes come from? Where did the vast majority of the cultivated plants that serve human needs come from?

They did not come from the major industrial northern nations that now would impose exclusivity on a living thing. Virtually every significant food plant has come originally from the Third World, South America, the Caribbean, Southern Asia, and Africa. From the very beginning, dating from 1492, Columbus grabbed up maize, tobacco and a number of other things. He took them to Europe. In subsequent voyages there was the transport of plants from Africa and Asia back to North America, so there has been established a degree of homogeneity in availability of certain kinds of plants in the tropics. Dating from 1492 the northern industrial first world nations have taken the germplasm from the south to produce the agricultural giants that the northern nations have become.

In fact, right after the Second World War, this process went on to the extent that at the turn of the century 70 per cent of the budget of the American Department of Agriculture was devoted, dare I say it, to stealing the germplasm from the Third World. In contrast to coal, oil, and the forests germplasm was considered to be the calm and property of all mankind. We stand here today talking about taking that very germplasm that was stolen from the Third World and putting a patent on it as it is put into new combinations. Those will be secret combinations and will provide the basis for profit for the corporations. They will argue that they have injected human knowledge into this and therefore they should be paid for it. Well, it is possible if one considers, as I did earlier, the decision of Justice Duneden that there be a revelation of the content of an invention. That might put a different shape on it.

This process, as I have said before, of stealing the germplasm from the Third World continues. Much of the variety of the germplasm exists in the land races that are cultivated in the Third World, land races which can provide the kind of variability and the kinds of genes that can be used to create new breeds. These will have new characteristics which will be advantageous in northern climes.

Let me say something about those land races just for a moment. There are two characteristics to those land races. They display a great deal of variability and a field or contiguous fields of land races may have the capacity to withstand with minor losses all kinds of environmental or biological attacks. They have worked out quite well. Those land races are still being used and will be used by the corporations that we seek to protect in this legislation to produce those new varieties with their secret germplasm content, but those land races did not just jump up there on the soil.

Those land races are the product of human knowledge in the Third World. If it is justified to provide huge profits for exclusive knowledge to First World industrial nation corporations, then why is it not of equal importance to ensure that those poor peasant farmers, who with their traditional knowledge have created something new, be similarly awarded for their contribution through human knowledge?

There is an asymmetry there that is not unusual in this world. It seems to me that this country should be seeking to resolve this situation to the benefit not of the multinational corporations but of humankind and defer to the profit of the Third World. It is of interest to us to make sure that those aboriginal species, those land races and other variations that occur in the Third World be maintained. Perhaps we can find means of ensuring the maintenance of that and find a suitable way of compensating the Third World for its contribution. There is no justice in saying that there is property resident in the

industrial nations but the property of the Third World is a part of a common heritage.

This is a significant and serious consideration and I know that you are pondering it with the greatest seriousness, Mr. Speaker. I hope that your colleagues, the Conservative Members on the other side, will similarly consider it.

There have been a number of other more domestic concerns raised about this legislation. Canada has done quite well really in the production of new plant breeds through the involvement of the Department of Agriculture and the universities. We produce breeds of grain, wheat and so on which are quite suitable to the Canadian climate and conditions. We have invested as a nation in this.

One has to ask a serious question: if we are going to open this up according to the multinational's exclusivity, a licensing of an 18–year exclusivity, is there not a danger that given the history of this Government inevitably the private sector will overtake the Government and industrial sectors?

Those areas will be increasingly devoted to basic research while, in fact, the private industry—and read there multinational corporations—will take over by deliberate intent. Remember this is the privatization Government: "We will take over by a deliberate intent the production of new breeds of plants for the farmers of this land".

I do not have to tell you what the implications of that might be because the implications are clear. Monopolies and oligopolies will be established in which relatively few large companies will take over and, of course, prices will rise for the farmer and the cost of food will rise for the consumer. There is another element in this that I think should concern everybody. That concern resides in the list of corporations which are engaged in plant breeding. I am sure that you are going to be very interested in this: Shell, Sandoz, deKopp–Pfizer, Upjohn, Ciba–Geigy, and ICI. That sounds like a list of companies that produce chemicals and pesticides.

• (2030)

I know you are not a devious man, Mr. Speaker, and so you would not want a devious company. I am sure that you can understand that there might be a terrible temptation out there, given the power of genetic engineering, the power of my own field, indeed, biology, to manipulate and that unbeknownst to the farmer those companies might very well be producing plants which are dependent upon pesticides and herbicides. What a trick that would be: sell the plant, you cannot get the new breed from anybody else. You plant that devil and find out it will not grow without 2,4D.

This has been a notion that has been dismissed by some but it is very difficult not to be extremely suspicious when we read the names of the companies which have the greatest interest in all of this. I think that we should know a good deal more about those possibilities before we allow this Government to push this legislation through without considerable thought. We have a good, solid plant breeders' effort in this country right now through Government and the universities that serves the farmer well. If the farmers are served well, the consumers are served well.

I do not see that there has been provided significant justification for a change in that situation, given the considerations involved. So I say to you, Mr. Speaker, not from a position of erudition but of concern, that this is not a piece of legislation which should be passed by one o'clock tonight. I hope that it will be given months of consideration by all of the interested parties, consideration of the interests of Canadians generally, farmers specifically, our role in the world and the interest which we should have as Canadians to ensure fairness not only within our own country but internationally. This would ensure the maintenance of the germplasm so necessary for securing our future and the availability of food, and that nothing will restrict the amount or the availability of the germplasm pool. This is really the common heritage of all of us and not that of Shell, Sandoz or any of those other big guys on the other side of our southern borders.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, following the thoughtful intervention of the Member for Lambton—Middlesex (Mr. Ferguson) and the Member for Windsor—Lake St. Clair (Mr. McCurdy), it makes me wonder whether there is much that can be added to what has already been put on the record.

On the other hand, some points have to be stressed again, and perhaps some new territory has to be covered. It seems to me that with this plant breeders' rights Bill we are debating what could be described as the heart of

the concept of sustainable development, particularly as it affects certain parts of the world.

Once again, this Conservative Government has succeeded in not practising what it preaches. Alas, this measure reveals also the limited understanding on the part of this Conservative Government of global environmental and developmental issues. It is a very distressing conclusion that one has to arrive at, after learning by way of a very interesting process, the implications of this plant breeders' rights Bill. It has certainly been quite a learning experience for me. It seems that a background picture needs to be given in order to appreciate the implications of this Bill.

The genetic resources essential to world agriculture—and I am heavily drawing from material prepared by genetic resources of our world organization—are increasingly controlled by multinational corporations. New crops are developed for economic reasons, including higher yields, uniformity, stability and ease of transportation, at the time and expense of public objectives, including nutrition, environmental protection, Third World development, as others have already stressed, and the protection and preservation of smaller-scale farming.

The new varieties are genetically uniform and therefore susceptible to wipe-out by disease or bad weather. The original varieties are disappearing, resulting in a dangerous depletion of the gene pool, to which the Member for Windsor—Lake St. Clair just referred.

What Bill C-15 seems to be doing, if it is implemented, is to reinforce monoculture, chemical agriculture and finally, private control of this precious public resource which is called seed. Plain, important, vital seed. To increase funding to Canada's world-class plant breeding program within Agriculture Canada and the Canadian universities to ensure a truly Canadian response to the environmental and food scarcity problems facing the world today is the objective we would like to see translated by this Bill. However, we do not see it. With the plant breeders' rights legislation, knowledge becomes an industrial secret and research becomes accountable to corporate interests and to considerations related to profit-making. That is not the way to go. In detail, the measure would lead to the use of more pesticides in food and agriculture. In the 1988 edition of *The Economist*—I do not know which month exactly—it reported and I quote:

> Chemical companies have spent $10 billion or so in as many years buying up seed companies worldwide—

It lists companies such as Pioneer Hi-Bred, Sandoz, Dekalb-Pfizer, Upjohn, Limagrain, Shell Oil, ICI, Ciba-Geigy, Orson and Cargill as the world's 10 largest companies in the business of seed. Seven of these 10 companies are also involved in crop chemicals. That is the important linkage which one has to keep in mind in order to understand the implication and the impact of this measure. At least six of these companies already sell seeds in Canada.

If the plant breeders' rights proposal Bill becomes law, then the trend will escalate. More than 50 per cent of seed research and development within private industry is focused on building the tolerance of new seed varieties to higher and higher concentrations of agricultural chemicals produced by these same companies. That is where the interesting link emerges. Canadian farmers will most likely be forced to bear the cost of seed royalties as well as increased input costs. The increased cost of food production will of course eventually be passed on to Canadian consumers who have already stated loud and clear that they do not want harmful chemicals in their food. Currently there are 4,000 registered commercial and restricted pesticides on the market in Canada.

• (2040)

The second impact of this proposed legislation would be to limit sustainable agriculture. Many farmers see organic farming as being one way to reduce the effects of the current financial and environmental crises facing Canadian agriculture. Fewer inputs are needed in organic farming and costs are much lower. Net income is often much higher in organic farming then in conventional chemical food production. The health of consumers, of the environment, of livestock and of family farm members is, of course, better protected through organic farming. We have seen on *The Journal* in recent weeks of a farmer who, because of the use of pesticides over a period of time, incurred a form of lymphoma.

If plant breeders' rights are adopted in Canada, organic farmers and converting farmers will not be able to get the seed varieties they need, varieties that are not

dependent on pesticides and fertilizers to grow well. That is where the crux of the matter lies.

In addition, there is the decline of the gene pool which has been so well covered by those who have spoken before me. It is important to know that when seed companies develop a successful variety, it becomes a dominating seed on the market, but new varieties, I am told, typically rest on a narrow genetic base. The seeds are genetically uniform. Thus if one plant is damaged by disease, pests or bad weather, the entire crop is likely to be affected, creating widespread destruction or even a world-wide catastrophe. When a variety proves susceptible to a particular threat, breeders' usually go back to more robust, traditional varieties in order to find the genetic material they need to overcome the difficulty. According to some estimates, we have already lost over 50 per cent of the world's major traditional agricultural crops.

The danger to the gene pool is particularly great in the Third World where many of the world's centres of genetic diversity are located. Traditional crops face a triple threat of war, environmental degradation and replacement by the same genetically uniform varieties developed and used in industrial nations. We have no idea what genetic material is being destroyed or of its value to future generations. If environmental conditions change through the greenhouse effect, for example, hardy traditional varieties will be essential to breeding new varieties which can adapt to the new conditions.

Some of the threatened genetic resources from Third World countries are now stored in seed banks located in the industrial countries. However, the integrity of these collections is by no means assured, given inadequate funding and the trend toward privatization in the hands of multinationals. For instance, I am told that the repository at Cambridge University is now the property of Unilever.

The impact on the Third World can be summarized by saying that the crops developed by the multinational seed companies are designed to be grown with capital and technology-intensive farming techniques. In Canada this encourages the decline of the family farm in some cases. In the Third World, it exacerbates economic injustice as large land-holders drive peasants off their small plots of land. Third World countries develop massive debts and balance of payments deficits as the cost of imported agricultural seeds, machinery and chemicals rises much faster than the export price of the crops produced.

It is particularly ironic that the Third World must now buy seeds from the north since the genetic resources on which these seeds are based were taken mostly from the Third World without compensation. Therefore, it would be much better if this Bill were to be withdrawn and Canada were to join in the international debate without committing itself to any single system, especially when these decisions impact so heavily on the economies and the people of the Third World. The changes being considered could also render Third World germplasm subject to patents in the north and additional royalty payments could equal 10 per cent of the total Third World debt per annum.

In response to corporate moves like plant breeders' rights in the industrialized world, the United Nations Food and Agriculture Organization is currently reviewing its commission on plant genetic resources and is considering farmers' rights, supplying intellectual property rights for Third World farmers, which could profoundly affect Canada's access to its major source of breeding stock in the future.

It may be fairly said that this is the first time the House of Commons is dealing with life patenting. While the Bill is of course limited to plants, the legislation also pledges Canada to participate in the International Union for the Protection of Variety of Plants. It has already announced that it would alter its system in order to allow member states to accommodate wider forms of life patenting including the patenting of specific genes and of livestock.

Finally, the issue that really brings us to our feet is the matter of exclusive monopoly. The notion of plant breeders' rights goes well beyond offering an opportunity for a return on costly breeding investments through royalty payments. The plant breeders' rights as envisaged in this Bill grants exclusive monopoly over access to a plant variety. The plant breeders' rights in countries where it has been adopted has increased crop genetic uniformity, reduced the quality of innovations in plant breeding and allowed corporate power to become even more concentrated. That is something that we Liberals do not like to see happening.

• (2050)

The problem is that our market is small, much of it is dominated by multinational corporations owned abroad. Effective research and development requires a significant scale of operations. The principal beneficiaries of monopoly rights of plants in Canada are likely to be multinational corporations. This is certainly the case that we have seen with industrial patents. We know that multinational corporations have the resources and the experience to begin claiming breeders' rights immediately and to control the claims of less well-endowed rivals.

With the shift from the public sector to the private sector, another consequence would be that the open exchange of scientific information will be curbed in the interest of commercial secrecy.

In conclusion, plant breeders' rights is a consequence of the development that was set in motion by the Free Trade Agreement. I will be glad to expand on that point at the next opportunity.

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, I am pleased to rise tonight to speak on this Bill. I take it that it is so important a part of the Government's agenda that it invokes closure on such a Bill.

This Bill is much more than an agricultural Bill. Many more people other than farmers are concerned about plant breeders' rights legislation. It concerns all who are concerned with the increasing concentration of power with multinational corporations. It also concerns all of us who are concerned with Canada's food system and the world's food system. That means all of us.

My criticisms of this Bill are based on many things. It is an insidious Bill. The issues are economic, ethical, social, political, moral, and ecological. For tonight's address, I am going to concentrate on three areas. First, I am going to talk about the environmental concerns, then my concerns about the corporate concentration aspects, and finally the international development aspects of the Bill. I hope by then to bring it all together. Although I make each of those three categories distinct for the purposes of my address tonight, they are all interlinked.

First, I will address the environmental concerns. We have heard much from scientific experts, particularly those on the environment committee of the Royal Society about the dangers of mono-cropping. This Bill is pushed by large multinational corporations, those U.S. agri-business firms that have developed mono-cropping to the state of a high art. They are the ones that are behind this. The environmental degradation that goes along with mono-cropping is well known. The vulnerability that exists through mono-cropping is also well known. Yet, the Bill, because of corporate concentration, will encourage mono-cropping.

Not only do we suffer from environmental vulnerability, but financial vulnerability. As many farmers know, if they have only one crop which is devastated then they are out of luck and do not have anything on which to fall back. We have seen this in North America, and we have also seen it overseas where a farmer has only one crop and it is devastated by pests or blight, and then the farmer is out of business for that year.

We must also be aware of the environmental concerns because of genetic manipulation of seeds. Seeds could be manipulated so that they are dependent upon a particular type of pesticide or will respond only to a particular type of fertilizer. Although we have been assured that no corporation would ever do that, there are enough of us who are sceptical about those assurances that we should reconsider this Bill.

The Bill has a history. This is the fourth time that plant breeders' rights legislation has been brought before the House, and it looks like this one will be successful. We must understand the motivation of why now? Why is this legislation being brought in now? Similar legislation was brought before the House in 1980, but it did not get past second reading. In January, 1988 it died on the Order Paper.

We have to understand that the timing is important. Although Members opposite get tired of us talking about the Free Trade Agreement, it is important for us to understand that the U.S. Government has openly argued that food products should be patentable. It has asked Norway for example, to patent food as well as pharmaceutical products. It is all part of the right wing agenda that we have witnessed over the past year. We saw it with the Drug Patent Act last year, and now it is plant breeders' rights. The free trade agenda is implicit in this legislation. It is through the Government's willingness and lying down in the face of U.S. pressure that it has decided to invoke closure on this plant breeders' rights legislation. This brings me to the corporate concentration. It is the U.S. agenda that we are following here, let us be clear about that. This Bill sets a precedent in life patenting, as my colleagues have pointed out. This Bill has an insidious nature. Although it has been put across

as an agricultural Bill, as something that we should not worry about, it is much more than that.

• (2100)

Think of what it means to set a precedent for patenting life, Mr. Speaker. Think of where we are going. Think about the path upon which we are embarking and what it means.

Under European and American plant breeders' rights legislation 90 per cent of seed patents are held by a handful of multinationals. After the year 2000, it is forecast that from 10 to 20 major corporations will dominate the seed markets. That does not give me any reassurance since what we are doing is inviting a monopoly situation in terms of controlling not just our food supply but the food supply of the world. I do not like to have large multinational corporations having any more control of my life than they already do.

The type of corporate concentration we have seen in the early months of the Free Trade Agreement will only increase with the passing of this legislation. This legislation should be reconsidered. We should take a long hard look at where we are going, not only in terms of environmental concerns but in our concerns of the path we are going down on life patenting. We are giving over the control of our food supplies to those multinationals which have not exactly shown the kind of sensitivity to the needs of ordinary human beings, whether they be here in Canada or elsewhere in the world.

There is more to this measure than the bottom line. This is where the moral questions come in.

I would like to address my final comments to the international aspects of this Bill. Although Europe and North America were the first to patent genes, the genetic base for major crops originated in what we now call the Third World. Representatives of countries in North America, Europe and the Soviet Union have collected seed in the developing world and brought this germ plasm back home to store in gene banks. As one expert in the field has pointed out, it does not thrill Third World countries to think that their genetic diversity, something which they have given to us, is now subject to patent.

I visited Africa and in particular northern Ethiopia which happens to be where genetic diversity has been so well developed over many centuries. When the Ice Age was occurring, what is now known as Ethiopia was where the seeds were developing. We have taken from that country, or it has given to us freely, and we are now going to be using what they have given to us for profit. The type of vulnerability that is invited by this Bill will hurt us, but it will hurt those developing countries even more.

Large companies are claiming ownership of products which are the result of farmer genius over thousands of years. When I was in Eritrea, in northern Ethiopia, visiting agricultural research farms, I saw the benefit of the genius about which this article speaks. The farmers of that country have a great respect for their land and for the fact that crops must be diversified. They do not believe in mono–cropping or laying out by the hundreds of acres any one crop. Diversification is practised in order to regenerate the land. This is the same lesson that scientists from the Royal Society have been telling us. Yet this legislation pushes us away from that way of doing things.

As a developed country, we have the responsibility to stand fast in opposition to this legislation. The green revolution promised increased food production in the Third World through high yield wheat and rice varieties and the ingredients of modern agriculture. However, the green revolution has failed those countries. We have to go back and learn from their expertise and not be so ethnocentric as to think we know it all. I think that I have enough humility to know that I do not know it all. I just hope that Members opposite in the government ranks will take a little humility and recognize that they do not know it all either.

The crops that are mono–cropped are more vulnerable to total and widespread failure if faced with less than favourable conditions. That is one of the environmental concerns about which we have been talking. Not just the environment suffers, but the ability to feed ourselves is lost.

Canada has an important role to play. We should be standing fast in opposition to this type of legislation for environmental reasons and because of the resistance to corporate concentration, which is certainly not in our interests, and because of our role in international development. Canada has an integral place in the global village. It is the only developed country other than

Austria, Finland, Norway and Greece not to adopt plant breeders' rights. We must stand firm against privatization and corporate control, control over the world's food system. That is what we are talking about here. Such control over the world's food system will bring long-term dependence. Dependence on whom? The large multinational corporations. It will bring vulnerability both economically and financially, as well as political instability, not just for the less developed nations but for us. This is a global village. Canada has a role to play as the conscience of the developed world.

I ask that this Bill be reconsidered in that light.

Mr. Joe McGuire (Egmont): Mr. Speaker, I am pleased to be able to participate in this one-sided debate on Bill C-15, a Bill which introduces plant breeders' rights to Canada for the first time. As often is the case, this Bill has been and will spark much heated debate within farm groups, church groups, political parties, provincial governments and even labour unions. This Bill has economic, social and moral implications which have not been adequately addressed. With closure having been invoked this evening, those issues will not now be adequately addressed. Therefore this important Bill will be vehemently opposed by many of our citizens who are disillusioned with the way this Government is addressing their legitimate concerns.

On the surface, the idea of plant breeders' rights makes sense. If an inventor designs a new or an improved type of machine, his time, expense and effort are recognized. The inventor patents his invention. He sells the rights to manufacture his invention to other people, if he chooses not to do so himself, and he collects royalties on the sales of his creation. He is rewarded. His rewards spur others on to develop new advances in a broad spectrum of endeavours.

An author is similarly rewarded, if the product of his pen results in sales, whether great or small.

It is well recognized in our society that people will be rewarded for their labour. Canada has never had this system extended to cover the development of new distinctive living organisms. The development of new plant varieties has always been carried out by Government and universities for the public good and the advancement of plant science. These two agencies have been quite successful in developing improved plant varieties which are suited to the regions of Canada where special types of seed are needed because of our relatively short growing season. It can be said with certainty that the development of the Marquis variety of wheat by a plant breeder in our Department of Agriculture resulted, to a large degree, in the settlement of the Canadian West.

• (2110)

The development of new varieties of rapeseed, hybrid corn, soya beans and potatoes have greatly benefited regions of Canada, and have greatly benefited our farmers and consumers.

Most of our important agriculture crops are subject to variety registration by Agriculture Canada under the Seeds Act of 1923. The Seeds Act covers crop varieties that are made, sold, advertised or imported into Canada. The Seeds Act ensures that inferior varieties, the role of which would be detrimental to Canadian agriculture, do not enter the Canadian market while desirable new varieties can be approved for sale or importation.

Now the Government, with the introduction of this Bill, is extending the opportunity of developing new plant varieties to the private sector who, if their developments qualify under the Seeds Act, would be able to collect royalties for a period of up to 18 years.

The question is: Will the federal Government withdraw its support from Agriculture Canada once the private sector expands its efforts in developing new plant varieties?

Of course, the Government says that it would never do that. But this is the same Government that said during the election campaign of last year that regional development programs would not be affected by free trade. There will be tremendous pressure on any government that is dealing with a large deficit to withdraw from competing with private industry in a duplicating operation, especially if the private industry we are talking about are multinational corporations.

Therefore, there will be pressure from within and without for government to get out of the plant breeding business. The chance is very great that government research will become merely a back-up to private industry rather than a competitor, as has happened in other

countries like the United States, that have similar legislation.

Also in the initial stages of private industry entering the plant breeding field, the Government will lose many of its top scientists as the multinationals lure them away with large salaries and other inducements.

I would like to believe the Government when it says it will not abandon the field, but I would rest easier if it were embodied in this legislation so that it cannot abandon Canada's commitment in plant breeding that we have had for over a century.

Second, there is absolutely no commitment to fair play to developing countries where, astonishingly, all of the world's major food crops originated. These developing countries have given freely to us in the industrialized world their rich supply of germplasm for crop variety breeding.

We in the industrialized world are almost devoid of primitive or wild seed supply from which we can tap the strong genetic material needed to develop new strains of seeds. The source of that raw material is diminishing as developing countries copy our mono-culture practices.

What we have been doing for the past number of years is collecting the raw material, the genetic material we need to develop new plant varieties from the developing countries and banking them in temperature controlled gene banks. This ensures our supply of raw material while we encourage the source countries to follow our practice of mono-culture and the larger production which results, while decreasing the growing areas of their wild seeds. What must be incorporated in this Bill is an amendment which prevents these gene banks from falling into the hands of the multinationals. If new large companies gain control and ownership over the genetic supply of raw material, as they are beginning to do in the United States, then we will all, here and in the Third World, be totally dependent on the goodwill of these corporations for our food supply.

Corporations do not have a conscience and if they control seed, fertilizer and pesticide production in one company it will spell disaster, especially for developing countries.

Therefore, vigorous public sector breeding programs and government controlled gene banks are absolutely necessary in preventing monopoly control of plant breeding in Canada. Granted, Canada will have access to varieties of plants from other countries which may have a positive impact on our economy, and Canadians will be able to be rewarded monetarily when our new varieties are exported to other countries. This is not happening now. We are exporting our progress in plant development for nothing.

But there is one thing that will happen for sure, the price of seeds will rise higher than the inflation rate. Farmers will be forced to pay the higher costs or risk being left behind when new high volume crop varieties are developed. This has already happened in the United States since plant breeder legislation has been adopted.

Finally, with the new technologies now being applied to the breeding of new plant varieties and indeed in creating new types animal life, perhaps Canada should defer this legislation in order to have it conform to the results of the UN study on the world-wide implications of plant breeding which is now under way.

[*Translation*]

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, it gives me great pleasure to speak tonight on Bill C-15, an Act respecting plant breeders' rights.

Several speeches have already been made on this subject tonight and I hope that I will be able to say something of general interest to Members to convince them, especially the Government Members, to vote against this Bill.

[*English*]

One thing we are labouring under tonight is a closure motion. I could not go on with the Bill without expressing my distaste at the activities of the Government in invoking closure again tonight. This is the seventh occasion in this Parliament that the Government has chosen to use closure to cut off debate on its legislation. No other Government in the history of this country has used closure so frequently as this Government. Frankly, it is a disgraceful performance. The Government is obviously fearful of bringing its legislation before Parliament and having it exposed to the light of public scrutiny.

If I had introduced legislation of the kind the Government has, I would be embarrassed as well.

It seems to be a persistent practice on the part of the Government to move closure at the earliest possible opportunity. This Bill has been debated part of one day, for two and a half hours, prior to tonight's sitting. Tonight the Government introduced closure on this Bill. It did the same thing last night and the same thing on five occasions prior to that. It is becoming a disgraceful habit.

I want to read the words I quoted in the House on December 16, 1988, when I quoted the former Member for Yukon, who said in 1964:

> The procedure of closure has been repugnant to the sense of fair play to the Canadian people. My own personal view is that never in Parliamentary debate should there be a muzzling of free debate.

Tonight we are seeing a muzzling of free debate. I submit the Government is ashamed of the Bill. It is ashamed of most of the Bills it has introduced. It is invoking the closure rule to cut off debate and limit it so the public will not hear about the evils of the proposals it is putting before Parliament. It is time the Government discontinued this practice and made a promise to discontinue its use in the future.

I am not seeking to blame the Government for all the evils of this Bill. I think that perhaps it is the result of some misguiding on the part of the Minister of Agriculture (Mr. Mazankowski). He made a credible speech in the introduction of the Bill a few weeks ago. I do not think he took an unduly vigorous approach in supporting it. I can understand why, because he must have some doubts about some of the items proposed in the Bill.

The Bill will allow companies and individuals to patent new seed developments. As plant breeders develop new strains or varieties of seed, they will be able to protect those varieties by a patenting process similar to the patent that is given in the development of new business techniques or instruments of production.

I suggest that this control given to seed companies will lead to a control that can be extended to the whole food production cycle. Let me give some examples to explain why I feel it will lead to the control of the production cycle, not just in Canada but on a world-wide basis. That is a major reason for our concern tonight. If we give away the control of the production of the seeds, which in effect we will do under this Bill, the thin edge of the wedge is in and there is potential for control on a much wider scale of the food production industry of the world.

• (2120)

Hybrid seeds are perhaps the easiest example and so I would like to talk about them for a minute. I want to make it perfectly clear to you, Mr. Speaker, and to all Hon. Members, that I do not claim to be an expert on this matter. I am not a farmer and I am not the son of a farmer, nor am I a seed producer or the son of a seed producer. I am not an expert on these matters at all but I have done some reading on this subject and it has caused me great concern.

Hybrid seeds are produced by the crossing of plants which breed on themselves. In other words, they do not require cross-pollination to produce seeds. The hybrid seed that is the result of the cross-breeding of these two types of plants will result in the growth of a plant that often possesses the best characteristics of the two parent plants. The result of that is that the hybrid seed will normally produce a plant that grows twice as fast.

As a gardener, I have grown things like broccoli and I will use broccoli as an example, because Members will understand that. There are hybrid broccoli plants available and non-hybrid plants. The advantage of the hybrid is that it usually grows faster and usually produces larger heads of broccoli than the non-hybrid plant. The disadvantage of the hybrid plant in normal, everyday parlance is that it does not itself produce seeds that reproduce its strong characteristic. If it produces seeds, they fall back to a weaker plant which will not produce as large heads and will not produce as vigorous growth as would the hybrid parent, if there were such a thing. So you need to keep crossing the two in-bred plants in order to produce the hybrid.

If one of these companies patents its hybrid it will retain the right either to produce the seed exclusively or to licence out the production. In other words, the production of the hybrid seed will be the property of the owner of the plant breeders' right, as it were, in this product.

What is the risk of this? Let us suppose there is one strain of broccoli that becomes the leading hybrid strain and it is sold on a world-wide basis and most growers of broccoli grow this particular strain produced by Company A and its licensed affiliates. The sale of the seed is

obviously then controlled by the patentee, the person who has the plant breeders' right on that seed.

If in a particular year that company were unscrupulous enough to withhold all its seed and refuse to sell any of its seed, clearly the world production of broccoli would drop off substantially, presumably in quality and certainly in quantity. This is because there would not be many other seeds around. If there were one dominant brand, people would not be producing other seeds. Also, the other seeds would be for lesser quality plants of broccoli. One can well imagine, therefore, that the price of broccoli on a world-wide basis would substantially increase by virtue of the operation of the law of supply and demand.

Let us look at what would happen the next year. The company has a great supply of hybrid seeds that it has been building up. It did not sell any the previous season. The price of broccoli has skyrocketed. It is clear that the price of the seeds it is offering for sale would then follow suit and skyrocket. I do not hold the grudge against large multinational companies which my friends in the New Democratic Party obviously do, I do not say that everything they do *ipso facto* is bad. However, we face the risk that an unscrupulous company might control the production of a particular seed for its own profit advantage at the expense of other people. I am also not a believer in the completely free market concept that is espoused by some of my hon. friends opposite. I think they realize their mistake in adopting that position, at least I hope they do.

The other difficulty is that if we agree to this Bill we become part of an expanding world-wide network controlling the production of seeds because most of the other industrialized nations have already adopted legislation similar to this legislation and they are now part of this expanding network. I suggest that if we avoid joining in this particular network we will not suffer any disadvantage. Indeed, a suggestion was made by the Minister that if we did not join we would not then get seeds that are available elsewhere. However, I have never heard anyone suggest any variety or type of seed which is available elsewhere and not available here because of the lack of plant breeders' rights rules. I tell Hon. Members opposite that before I could possibly be persuaded to vote for a Bill of this kind I would want some very firm evidence that its non-adoption would be substantially detrimental to the interests of our country because I have seen no such evidence. I suggest there is no such evidence.

The second reason for looking at this Bill with great skepticism, and indeed rejecting it at this point, is the fact that many of the new strains of seeds being developed today—and I am going away from hybrids and talking about almost any seed or plant that is developed—is developed by large multinational companies which also produce chemicals and pesticides. It is clear that those companies would find it to their advantage to produce seeds that grow better when they are subjected to extensive spray from pesticides or other types of pest controls and/or fertilizers.

The production of the fertilizers and the pesticides is done by these companies for the purpose of earning a profit. If they could produce a seed or plant that was dependent on their particular kind of fertilizer or their particular kind of pesticide, sales would clearly increase because if they can sell the seed they will sell the chemicals with it.

In my submission the sale of both the seeds and the chemicals constitutes something which is, in my view, undesirable. We have many natural occurring seeds or seeds which have evolved through hundreds of years of use in cultivation by farmers and growers of seeds in various plant stocks. All of those are currently available throughout Canada for our use to the extent that we wish to have them. We do not need to grow particular ones with pesticides or with fertilizers. Those help in the growth, perhaps, but they are not essential. Why we would aim for the development of strains of plants that are fully dependent on particular chemicals is beyond me. Yet that could be one of the effects, and I suggest that it will be, of the adoption of Bill C-15. I urge Hon. Members to look at that very carefully before they vote willy-nilly for this Bill.

Mr. Thacker: Has that occurred in the desert countries?

Mr. Milliken: My hon. friend asks whether that has occurred in the desert countries.

Mr. Thacker: The 15 countries that have adopted it.

Mr. Milliken: No, I do not believe it has happened in the 15 countries that have adopted it because, I suggest to my hon. friend, they have not been able to get control on a world-wide basis at this point and thereby take full advantage of the fact that these seeds are then controlled. However, I will tell him one thing that has happened in those countries as a result of the adoption of this kind of legislation, and that is a very significant reduction in public participation in the development of new seeds through government payments and so on. There has been a significant reduction in many countries. Second, there has been a general takeover by the large multinational companies of the small seed development companies in the countries. That has happened on a regular basis. That is an undisputed fact and I hope that when the Bill goes to committee my hon. friend opposite will get on the committee and hear the evidence of this fact and use it to advantage. It may persuade him to vote against this Bill.

The third reason that we ought to consider rejection of this Bill is that the effect on the Third World I suspect will be ultimately devastating.

• (2130)

I think, Mr. Speaker, you are aware that in times of drought or particular problems in the Third World, the industrialized world ships into that area its seeds, its plants, its products to help get things going again. In other words, there is often the situation where there is a complete dying out or destruction of seed stock in one of the developing countries, and we then fill the gap with seeds that have been developed or produced in some other part of the world. If the parts of the world that become subject to plant breeders' rights end up using a limited variety or a number of strains of seeds, then it will be that limited number of strains that will be sent to the Third World for their use. If they require the use of pesticides or fertilizer for their successful propagation, or if they are ones that are not well suited to their growing conditions, it is going to create additional problems for food production in every part of the world.

I suggest that the ramifications of this part of the policy have not been fully explored. We need a detailed study on this. The various groups in this country which have come out against plant breeders' rights have all expressed a very grave concern on this matter. I invite Members to read about and familiarize themselves regarding those concerns because it is an extremely serious risk. There is no reason today for Canada to join the expanding, if it is any longer expanding, group of industrialized countries which feel that this kind of legislation is helpful. I suggest that the only persons who really benefit from it are the seed companies.

I am not opposed, and I do not believe anyone in this Party is opposed, to seeing that persons who develop new seed strains or varieties are paid on a reasonable basis for their important work and effort, but it is not necessary to adopt patents in order to ensure that some such arrangement be made. There must be another method the Government could explore.

In preparing for this speech, I do not want to suggest that I read everything on plant breeders' rights and did all the work myself. I want to say that I have been assisted greatly in the preparation of my remarks by Rick Munroe who is one of my constituents. He lives on Howe Island, one of the islands in my riding of Kingston and the Islands. He is a farmer there, and he takes a very great interest in this subject, but not through any particular axe to grind or anything of that kind. He is just interested in this issue. He has thought about it, read extensively about it, and has written a few notes, or perhaps you could call them essays on the subject. I would like to refer to some of his ideas. I am not going to quote directly from his writing, but I want to mention some of the things that have caused him concern which I believe will cause concern for Hon. Members if they think about these things before they cast their vote on this Bill.

He indicated to me that 15 years ago the southern corn leaf blight threatened the genetically uniform American hybrid corn crop. This is a case where there had been a strain of corn developed on a hybrid basis that was used extensively throughout the United States. He indicated that the blight was halted by breeding in genetic material from a very rare corn variety from Mexico. The question he asks is, if we are going to adopt this plant breeders' rights business and start exporting our seeds abroad and displace the local seeds that are regionally generic, are we then going to destroy those seeds? Are we going to lose the seeds that are generic to a region and replace them with the hybrids that we in fact have developed? If that happens, will we then put these other generic seeds to the point that they are extinct? Will we in fact destroy them and lose the possibility of transferring the genetic material from these rare seeds to our hybrids to save them from this kind of destruction? I do not think that

question has been addressed. I do not think it has even been thought of in dealing with this legislation.

Second, he refers to the errors that can occur when one gets into genetic breeding. I see the Hon. Member for Macleod (Mr. Hughes) is here with his cheshire-cat appearance, and I am delighted that he is here because he is very interested in this question. I hope he will vote against this Bill.

The interesting ones that he pointed out as new genetic forms of life were the gypsy moth and the killer bees. He points out that the gypsy moth and the killer bees were introduced quite deliberately by scientists who thought that they knew what they were doing. The mistake was made and these things got out. The Fear is that if we have plant breeders' rights, the plant breeder is liable to make similar mistakes and release a kind of seed or plant that should not be out. If we are going to be rushing through a patent process to get these patents applied for, it may be that there could be errors in the system and that these seeds could be released. We will face the same kinds of problems with these plants as we are facing with killer bees. Maybe we will have killer plants or something that grow up and eat the wheat in the Macleod constituency. I do not know. The risks are there.

I do not in any way make light of them, Mr. Speaker. I think there are risks that ought to be faced by the Government in particular as it considers whether to proceed with this Bill.

I know, Mr. Speaker, you will realize notwithstanding my comments at the outset dealing with the deplorable use of closure in this case, I have not sought to be partisan in my dealings with this Bill. What I am trying to do is persuade the Hon. Members who support the Government to urge their Ministers of Agriculture—there are three of them for Heaven's sake—to take another look at this legislation and see if they cannot do something to stop it or slow its progress so we can have a long, hard look at the proposals and hopefully reject it.

The Acting Speaker (Mr. Paproski): I regret that the Hon. Member's time has expired. On a point of order the Hon. Member for York South—Weston (Mr. Nunziata).

Mr. Nunziata: Mr. Speaker, I think if you seek it, you will find unanimous consent for my friend and colleague from Kingston to continue with his excellent remarks.

The Acting Speaker (Mr. Paproski): Is there unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I am glad for the chance to speak tonight against Bill C-15, an Act respecting plant breeders' rights. The problem with the Bill is that like some of the Members across the way who keep shouting, it does not respect anyone else's rights. The Bill respects the rights only of the plant breeders and wants to push them to the exclusion of all other rights except to the extent that plant breeders are taken over by the chemical companies. That is why we in the New Democratic Party oppose it.

Our principle is a democratic socialist principle that production should be carried on to meet the individual and social needs of people and not primarily for profit. That is why we maintain that it is necessary to curb and control and sometimes even put monopolies directly under democratic public control. In fact what we want to do is democratize the economy. Of course that brings us into collision with the Members opposite whose respect for democracy is so little that they are using closure three times within a week because they do not have the patience to debate the subject when they are sure that they can just hammer it through with their majority.

In other words, their principle is, let the monopolies control. Since the monopolies control their Party through the Business Council on National Issues, naturally they are saying: "Let the monopolies control this country".

This debate is very much like the debate of a year or two ago about the patenting of prescription drugs in which the same Party, the same Government, insisted that the drug monopolies should be allowed bigger profits through patenting than they were already getting.

They promised all kinds of jobs in return for that, but they would not guarantee it, nor would they make that a condition of receiving the profits. Profits were guaranteed and the jobs we can whistle for.

What this legislation wants to do is to patent life forms or to enable those who have the fortunes, the wealth to do research to own life forms and the use of life forms through their patents. This will mean that not only will certain plants become the property or the seed of those plants become the property of a few, but according to the people who are engaged in it, such as the Unionfor Protection for New Varieties of Plants, they will alter their plans to accommodate some aspects of biotechnology, possibly including livestock patenting. In other words, there is no boundary when we get into this field strictly between patenting of plant forms and patenting of animal forms. Nor is there a boundary between the patenting of animal forms and the patenting of human forms. These people are willing to lead right on to try to patent and own human beings in a way that the slave holders of past time never dreamed was possible.

• (2140)

In other words, it is a system of enslavement that these people are pursuing. One of the earliest results of it will be a sharp rise in the cost of seed which will put many farmers in this country and many more farmers in other countries of the world, especially in the south, into a loss position. At present about 4 per cent of the production cost of Canadian wheat is in the seed. Europeans are already spending five times as much but it is predicted that as biotechnical patenting increases, the farmer's share of the cost for the seed and the crop may rise about 50 per cent, 50 per cent of the cost going for seed.

The problem is that these companies producing the seeds are being reduced by takeovers. In the last 20 years there have been over 1,000 corporate takeovers of seed companies. In the 1970s there were about 30 companies that produced crop chemicals. Now there are about a dozen and within a decade the industry predicts there will be only six crop chemical companies. They are the ones which are taking over control of seed production so that in another 10 years or so there may be only 10 or 20 major corporations in the seed market. That is bad news for farmers and it is bad news for people who like to eat. In other words, our eating is going to be controlled by these seed companies and by the chemical companies that control the seed companies.

Some of this is illustrated in a very good book published this spring called *From Land to Mouth* by Brewster Kneen. It is a study on the food system. He points out some interesting examples. For example, a couple of centuries ago Sri Lanka was self-sufficient in food. When the British Empire came along it wanted Sri Lanka to produce tea rather than the rice and textiles needed. Changes were introduced into the agriculture and now after the British and U.S. changes of bringing in wheat, Sri Lanka is being told to grow things like oil palms for the global market and it is not producing so much of its own food.

A further example he gives is that in the GATT discussions the Canadian representative, the Minister for International Trade (Mr. Crosbie), was not speaking for the ordinary people of Canada, he was speaking primarily for the big trading companies of Canada. They point out also, for example, that under an executive exchange program David Gilmour,a vice-president of Cargill Limited, a Canadian subsidiary of Cargill Incorporated, was on loan from Cargill to Agriculture Canada to assist in drafting agricultural policy for the Conservative Government. Cargill continued to pay his salary when he occupied an office on the top floor of the Carling Building beside the Deputy Minister of Agriculture. In other words, under this Government, Cargill, the great grain company dominating the grain markets of the world, was allowed to dictate Canadian government policy at GATT.

In the past we talked about trade, which means trade between partners. In other words, there is some mutual respect between one trading partner and another. Now the emphasis has shifted to export. It does not matter who the other guy is, push it out at him, push the grain out there, push it to the Soviet Union, to China or to Syria. It is not a matter of partnership anymore. It is just a matter of a one-way street. Now, with plant breeders' rights or so-called intellectual property rights, what we will get is control of world trade and export by the companies which have the wealth to own the patents.

For example, Ciba-Geigy, Bayer, Sandoz from Switzerland, Rhone-Poulenc from France, Cyanamid, Du Pont from the United States, BSAF from Germany and ICI from Britain. The people who are actually growing the food will be working, even half way around the world, for these great companies. The people who grow

the food will not set the wages they get nor the prices at which the food is sold. That will be done by these few companies that will try to reach all around the world just for their own profit.

This sort of thing is not all in the future. Mr. Kneen, and I quote from the bottom of page 103, said that in Thailand today farmers are not permitted to grow the native varieties of rice. The Government requires them to grow only the hybrid varieties, the seed of which the farmers have to buy for each crop. In other words, for thousands of years the farmers have been independent and by their own skill were able to maintain themselves and build communities. Now they will, in effect, be employees of some European or North American company from whom they will have to buy the seed every year. They will become totally dependent upon those seed-producing companies.

The problem is that plant breeders' rights are part of an over-all totalitarian approach by the large companies. When some of us were young we joined the Army, sometimes with misgivings—the Canadian Armed Forces, the Army, Navy or the Air Force—because we were told it was necessary to kill in order to stop Hitler's totalitarian push.

Now we are getting totalitarianism of a different sort based on these large companies which want to control not only the land on which people produce food but the food that people eat. It is part of the over-all drive based on the high interest rates and low commodity prices that dominate most of the Third World, most of the non-white former colonies of Britain and North America. In those countries high interest rates and low prices for agricultural products are both fixed by the banks primarily of North America and Britain in which the real interest rates for a decade has been far, far higher than it ever was before. The real interest rate to be calculated isthe difference between the London Inter Bank Offer Rate and the annual per cent change of commodity prices.

For example, in 1981 the London bank rate was 16.6 per cent. The commodity change was a negative 15 per cent. The real difference those countries were paying was 32 per cent. The situation went on like that through most of the 1980s. In 1987 the real interest rate which these countries were paying, taking into account the price differential as well as the bank rate, was about 10 per cent.

For those years from 1981 to 1987 the average actual interest rate being paid by the so-called developing countries was about 15 per cent. No wonder they are in debt. No wonder there are wars as the allies at the banks try to maintain military control in order to get those debts collected.

• (2150)

The problem that we have is an old, old problem, even though there are some new wrinkles to it. It is at least two and one-half thousand years old, as we find if we read the Book of the Prophet Isaiah, Chapter 5, beginning at verse 8. This is a warning to the people nowadays who want to do as they did then and simply take over other people's land.

"Woe to those who join house to house, who add field to field, until there is no more room, and you are made to dwell alone in the midst of the land. The Lord of Hosts has sworn in my hearing, surely many houses shall be desolate, large and beautiful houses without inhabitant."

That, of course, was the Jewish Scripture. It comes in very strongly into what we call the New Testament, the Christian Scripture, in the letter of James, Chapter 5.

"Come now, you rich, weep and howl for the miseries that are coming upon you. Your riches have rotted. Your garments are moth eaten. Your gold and silver have rusted and their rust will be evidence against you, and will eat your flesh like fire. You have laid up treasure for these last days. Behold, the wages of the labourers who have mowed your fields, which you kept back by fraud. Cry out, and the cries of the harvesters have reached the ears of the Lord of Hosts. You have lived on earth in luxury and in pleasure. You have fattened your hearts in a day of slaughter. You have condemned. You have killed the righteous one and he does not resist you."

If we go the way of this plant breeders' rights law, that is what we are asking for: Destruction.

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, at some risk, if I were to take seriously the remarks of the previous speaker, I have decided to participate in this debate. I frankly have succumbed to the temptation because I am simply sick

and tired of hearing the twaddle and the nonsense coming from the side opposite.

The fact is that the merits of plant breeders' rights have been debated here and elsewhere, off and on for many years. The suggestion that this legislation has not been adequately discussed is ludicrous.

What we are talking about tonight is simply referring the matter to a legislative committee in order that there can be some hearings and the Bill studied in some detail, and back to the House it comes again.

I believe that the time has come for serious consideration and the passage of the legislation. Plant breeders' rights legislation—I am going to call it PBR from now on in the interests of time—is in place in 18 countries in the world.

In fact, Canada is the only major agricultural nation which does not have such legislation. To listen to opponents of this Bill, one would think otherwise, that plant breeders' rights was something new, something unusual and something from outer space. We are talking about killer plants, Mr. Speaker. Maybe we are going to have killer plants which eat Members with red ties. I do not know, it is possible. However, the facts show otherwise.

Why PBR? The intent clearly is to enable plant breeders to collect reasonable royalties for new and distinct varieties which they develop through research. Breeding new varieties is expensive. It costs money. It is a matter of economics and a matter of simple equity that successful plant breeders should receive the return on their investment of time, of expertise and indeed, of money.

The royalties will encourage private sector plant breeders to increase their research activities. Public sector research will also be enhanced by the royalties which will be ploughed back into further public sector research. The result clearly should be an increase over-all in research in this country.

In Canada right now, I believe that we need new varieties which will improve yields and which may be more resistant to pests and diseases. PBR will enable us to have improved and expeditious access to these new varieties.

Bill C-15 will also allow for the injection of higher quality foreign varieties which are adaptable to the Canadian environment. In the absence of PBR, breeders outside of this country are hesitant to market their new varieties here because their product has no legal protection. Canadian farmers are not able to gain access to certain protected varieties which are popular in the rest of the world. This could present a problem to our exporters who find themselves unable to produce the protected varieties which are in demand in some world markets.

Clearly, Bill C-15 will create new opportunities for the export of many excellent Canadian varieties. Without PBR, Canadian breeders may be unwilling to introduce new varieties on which they have spent considerable time and money.

The over-all impact of this legislation will be to strengthen the base for plant breeders in Canada. In the result, the entire agricultural industry in Canada will be strengthened. My Province of Saskatchewan, and my constituency in particular. are heavily dependent on agriculture. PBR will be good for the Saskatchewan food and agriculture industry and that is why I support this legislation. It is also the reason why I hope that my socialist colleagues in the Province of Saskatchewan will see fit to cast aside their philosophical opposition to this much needed legislation.

It is instructive at this point to look at the situation in other nations, the impact of PBR elsewhere. The United Kingdom provides an excellent example. Since their legislation back in 1964, the U.K. has seen a tremendous growth in productivity which has dramatically converted it from being a net importer of cereals in the 1960s to being a net exporter in the 1980s. As much of this growth relates to the improved varieties as it does to improved husbandry and to other increased inputs, the quality has improved as well as the quantity.

British crop varieties are now exported throughout the world. Wheat into Europe. Barley, into New Zealand and Spain, roses and top fruit root stocks, into growers world-wide. As of last year, the British industry, I am told, was comprised of some 52 plant breeders and agents for foreign breeders. The participants range from publicly funded institutes to small private companies, to divisions of multinationals. Dire consequences of multinational take-overs are nowhere to be seen.

If the U.K. has been able to reap these benefits from PBR, imagine that there are indeed similar advances available to Canada through this legislation. With their knowledge, expertise and creativity, Canadian plant breeders have virtually unlimited opportunities.

At this point I would like to examine some of the opposition to PBR. It appears to me that the Liberals as usual are split. Members have made the halfhearted argument that the 18-year period of exclusivity rights is too long. However, the fact is that the 18-year period complies with the international convention for the protection of new varieties of plants.

If Bill C-15 proposed a seven-year or a ten-year period, we would not be able to satisfy the requirements of that international convention, nor would we be able to enjoy the benefits of reciprocity with the many other nations which are bound by the convention.

Further, 18 years is the maximum period of exclusivity. This right can be terminated sooner in many cases, and probably will be. In fact, Section 6, subsection (2) of the Bill provides for the payment of an annual fee to maintain that right. Under Section 35(1)(c), that right may be revoked for non-payment. Thus, the breeder will only retain protection on a variety if there is a sufficient return to justify payment of the annual fee. If the right is revoked, the variety becomes public property.

We have also heard the concern that Government plant breeding programs will decrease as a result of PBR. The Minister of Agriculture, Mr. Speaker—and I should digress here because I think I heard the Member for Kingston and the Islands (Mr. Milliken) suggest that there was something wrong with there being three Ministers of this Government devoted to agriculture. The fact that there are three Ministers devoted to this area indicates the tremendous importance which the Government of Canada attaches to the agricultural sector.

The Minister of Agriculture reaffirmed recently the commitment of this Government to the maintenance of public sector plant reading research. In this year alone, more than $23 million will be spent by Agriculture Canada on PBR. In the words of the Minister, and I quote: "Agriculture Canada has been in this business. It is in the business and will continue to be in the business".

Our friends in the NDP, of course, are against this Bill, as they are against anything which departs from the *status quo.* The NDP are misnamed. There is nothing new about them at all. They are against change. They are in fact the arch conservatives in this country. We on this side are the Progressive Conservatives. We on this side see the need for change and the need to move with the times.

• (2200)

While I am digressing on this point, I must say that I was amazed by the comments of the Hon. Member who spoke previously and referred again to the matter of the pharmaceutical patent legislation. I am amazed by the strange attitude displayed by Members opposite relative to innovation, to invention, and to initiative. I recall the remarks made when we were debating Bill C-60 in the previous Parliament, the copyright legislation. At that time, I heard all sorts of sanctimonious mutterings about the imperative to reward artists, musicians, and writers. That is good and that Bill passed.

What I hear from over there is that if we are talking about a song, music, a play, a book or something that is artistic, it should be given all sorts of protection. They want to recognize it and talk about the creative genius of the artist, his remuneration, and recognition. All of that is good, but why on earth would equal treatment not apply to someone who comes up with a new drug for the benefit of mankind or who comes up with a new plant variety which can benefit all of mankind?

Why is it that the inventor, the builder, the creator in a field outside artistic endeavour is someone to be denigrated as members of the Opposition do? All I can say on this topic is that Members of my Party and I say that we should at least afford to plant breeders the same kind of rights and recognition as has been afforded to the artistic community.

The Hon. Member for Mackenzie has warned us of the dire consequences of plant patents. Under this legislation, we are not talking about plant patents or the patenting of any other life form. Bill C-15 deals with plant varieties in an extremely specific way. It proposes a limited right that applies only to the reproductive material of plants. It is the same legislation that is in place in most of the nations with which we trade in seeds and

other plant reproductive material such as bulbs, rose bushes, and the like.

Opposition Members try to imply that Bill C-15 would reduce the exchange of genetic information. They conclude that a plant breeder, having discovered a new and distinct variety, would secrete it away and not allow anyone access to it. Surely this legislation will increase, not decrease, the exchange of genetic information.

Indeed, with the current set of circumstances, potential useful foreign varieties are not available to Canadian producers. With the passage and implementation of Bill C-15, there will be an incentive for foreign plant breeders to share these varieties with Canadian producers. There will be a two-way street. Plant breeders will be able to obtain a financial reward for their efforts and the producers will have new production opportunities as well as increased potential for even greater yields plus enhanced protection from pests.

It is for these reasons that Bill C-15 is supported by a great number of farm and horticultural organizations from coast to coast. They include the Canadian Federation of Agriculture, the Canadian Horticultural Council, SeCan Association, the Canadian Seed Growers' Association, the Canadian Seed Trade Association, Flowers Canada, the Canadian Ornamental Plant Foundation, the Canadian Nursery Trades Association, the Western Canadian Wheat Growers' Association, the Agricultural Institute of Canada, the Canada Grains Council, and many more. These organizations and their members are fully cognizant of the opportunities they are currently missing.

At this point, it is important to recognize that there is a second way in which this legislation will encourage the sharing of genetic information. The International Convention for the Protection of New Varieties specifically prohibits the monopolizing of the genetic information in plant varieties. Article 5(3) states that authorization by the breeders shall not be required either for the utilization of the variety as an initial source of variation for the purpose of creating other varieties or for the marketing of such varieties. Bill C-15 is written to conform with this convention. The clear intent of the Bill is that plant breeders will continue to use existing varieties for breeding new varieties.

Another opponent of this legislation is the coalition known as GROW, Genetic Resources for Our World. One of its concerns is that this legislation will result in a dramatic increase in the price of seed. One of the outspoken opponents of the legislation has suggested recently that farmers' seed costs will quadruple. What he fails to mention is that farmers are in no way forced to use new seed varieties. They can continue to use their own seed, for example, which is unaffected by PBR, or they can purchase unprotected varieties. Even for protected seed varieties, it is predicted by experts that the increasing costs will be less than changes caused by supply and demand.

As well, one can assume that competition from foreign and new Canadian varieties is expected to hold down price increases. Moreover, improvements in yield, increased resistance to disease, and other positive improvements in available seed stock will far outweigh any increase in seed prices.

Another point that has to be kept in mind is that if a plant breeder is found to be charging excessive royalties or is intentionally keeping the market short in order to collect higher prices, any individual can apply to the commissioner of plant breeders' rights for a compulsory license which would give the individual the right to produce that variety. This measure ensures that all varieties are made available to the public at reasonable prices.

Of course, those on the far left have been telling anyone prepared to listen that this legislation will lead to takeovers of the industry by those nasty multinational corporations. What they fail to understand is that our seed industry is too large and diverse to be effectively taken over by foreign countries or anyone else. To be a target for takeover, a company has to have a breeding program and or protected varieties. At the present, private sector breeding in Canada is a distant third behind Agriculture Canada and university programs. The possibility of a corporate takeover in the industry is simply out of the question.

Furthermore, as indicated earlier, and I invite opponents of this Bill to examine the situation in the U.K., the legislation has been in place there since 1964. There has been plenty of time for this touted corporate takeover, but it simply has not been the case. An examination of other nations with plant breeders' rights

legislation indicates that there are many, many hundreds of concerns that are involved in the process.

The opponents of the Bill, GROW, Friends of the Earth, and the like, have raised the argument that the Bill will allow the large seed companies to breed seeds that are dependent upon specific weed killers. This view fails to take into account the reality that the so-called dependent varieties would have a limited appeal to a producer who has the option to purchase public sector varieties or unprotected varieties. It seems to me just common sense that farmers would also shy away from a variety with high input costs as a result of its dependency upon a specific chemical.

Those in the left wing coalition have also raised the argument that plant breeders' rights will lead to genetic uniformity which will inevitably result in future catastrophes, another potato famine. Once again, they fail to grasp the true essence of the legislation before us.

By providing an incentive for even greater investment in plant breeders' programs, both in the private and public sectors, the chances of increasing genetic diversity are enhanced because only those varieties which are substantially different from other existing varieties will be recognized under plant breeders' legislation.

In closing, I want to say that perhaps the silliest and most revealing argument against plant breeders' rights is that put forward by GROW and others in the coalition that the Bill is somehow linked to the Canada—U.S. Free Trade Agreement. The old free trade bogyman is being dusted off again. The Hon. Member for Etobicoke North, in an unguarded moment, was honest enough to say that every sparrow that falls from the sky will be laid at the feet of the Free Trade Agreement. Here we go with another sparrow.

This legislation has been around in one form or another since 1979. How on earth can it be affected by a 1989 bilateral trade agreement between Canada and the United States? This argument reminds one again of this blind opposition to change, to trade, and to anything new that characterizes the arch-conservatives of Canada, those people in the left wing masquerading as progressive people when in fact they are the most reactionary in this nation.

The Government has great confidence in the people of Canada. We know that with the implementation of Bill C-15, Canadian plant breeders will prosper and so too will producers.

I would like to conclude by saying that there is nothing sinister in the legislation before us. It is a Bill that I believe will increase the level of plant breeding research in Canada, the results of which will enable producers and farmers to stay competitive in a modern world. The legislation does so by providing researchers with an incentive to increase their activities in order to create new varieties with greater yields and enhanced resistance to disease and pests.

• (2210)

Canada is the only major agricultural nation in the world which today lacks legislation of this kind. The time has come for us to get out of the dark ages, get in step, stop talking about PBR, and implement this Bill. Let us get it off to committee where it can be dealt with in some detail. I look forward to the eventual passage and utilization of the Bill for the benefit of all Canadians.

Mrs. Christine Stewart (Northumberland): Mr. Speaker, I am pleased to have the opportunity this evening to address Bill C-15, the plant breeders' rights Bill. I have profound and grave concerns about this Bill, although I would like to state at the outset that I believe that plant breeders are entitled to certain rights. My concern relates to the implications of how far this particular Bill goes. Another concern is the greater implications of this Bill which I feel are not being well addressed and are not well known by many people who are debating the Bill and who will be voting upon it this evening and at other times.

My concerns with regard to this Bill relate to various areas. One relates to the environmental issues, moral and ethical issues, food security issues, and how those food security issues impinge upon the well-being of Third World countries that represent the majority of the population of our world.

Through this particular Bill we are favouring multinational corporations. In fact, the multinational corporations that will most benefit from this Bill are companies involved in the production of chemicals. These companies have the funds and the wherewithal to finance the

research and development of different seeds. In many cases, they pay for that research themselves.

However, it is well known that in various agricultural colleges, departments of research could not well survive without the funds made available from those companies. Therefore, the independence of research is taken away as research is directed into certain areas. The areas of concern to me are where research and development are put into the production of seeds that are dependent upon the very chemicals that those companies produce. If I were a corporate president whose company produced chemicals, I would love the idea of doing whatever I could to promote the sale of the chemicals. What greater thing could a company think of than having a greater dispersion of its chemicals over the lands all around the world?

In Canada, many farmers who buy the product of producers of seed are not aware of the fact that the seed is so dependent upon the chemicals that must be applied simultaneously with the seed purchased.

In this regard, my experience has been in the Third World. I have had some experience in Africa which has experienced serious drought in the past years. As a member of a committee, I helped to select projects that were to receive Canadian funding for production in Africa. We saw the harmful effects of the seeds that were chemically dependent. It was not only the cost of the seed, but it was the cost of the chemicals, the fertilizers, the insecticides, and the fungicides that had to accompany the particular types of seeds that were being made available and which in the end we did reject despite the grave needs of the area, of which we all know.

The poor people of the world cannot afford the seed, let alone the chemicals upon which those seeds are dependent. It is not only the seeds and the cost of the chemicals themselves, it is the cost of the technology to apply the chemicals. Education and knowledge are required in knowing how to apply those chemicals not only in the correct order and timing, but also safely. I have seen many illnesses develop among poor people who were handling chemicals, who did not have the equipment to apply them safely, and who suffered serious health effects as a result.

In one program in which I was involved in Central America, the program was supported by a northern Government, an aid providing Government through the help of a multinational corporation. Very poor farmers in this country had benefited from a very small land reform program. Landless peasants suddenly had some land. However, they were given the land on the proviso that that land would be productive.

Those farmers knew how to produce crops for their own self-sufficiency. They could feed themselves with small resources. Instead, those farmers were enticed, with large resources, to move away from the production of self-sufficient and self-sustaining food crops into cash crops for export. They were given many financial and capital resources in order to divert their production into those areas. They were told that they would receive not only the seed and the chemicals, but all the technical assistance necessary in order to produce productive crops that would bring them good cash income.

Many countries in the Third World have been motivated into producing these cash crops. Countries that were self-sufficient in food production are now finding that they experience crop failures for a variety of reasons and that they are now net importers of the food they need to sustain themselves.

What happened with the program to which I was referring was that the farmers took all the resources. They took out loans in order to cover their part of the bargain, so to speak. They received the seed, the chemicals, and the technical expertise. They got their crop off the fields and it was ready for export. This crop was very labour intensive.

At the point when the crop was to be exported, a review was done of the cropping procedure and it was found that, at one point, one application of a chemical was made incorrectly and the crop could not be exported. The poor peasants lost everything. They found themselves without the food they needed to eat because they had been diverted from that type of production into a cash crop for export. They had no cash, they lost their land, and they were deeply in debt.

That example explains one of my concerns about this Bill in that it supports most particularly multinational corporations that will have more and more ability through this Bill to gain control of Canadian breeders and companies that produce.

This Bill has implications as far as getting patents for life form itself. I believe that germplasm is a basic resource for all mankind. It is global resource. It relates very much to world food security in general. There is a profound distinction that must be made between the applying of patents to intellectual property, to technologies of various sorts, and the technology which relates to the very production of food upon which we are all dependent. We have to make a distinction between the various patents which we are approving and making possible. I believe that we must look very carefully at any

patent that has an effect on the food security of our world.

• (2220)

When companies are paying and supporting the research of seed that is dependent upon chemicals, there are profound environmental problems as well. The application of chemicals or fertilizers, insecticides and pesticides has a very deleterious effect upon the soils of our land and upon the waters into which they flow. This is producing seed which is vulnerable to epidemic. Again, this is a food security problem of which I feel we must be more aware.

I hope that when this Bill is discussed in committee many of these issues will be addressed and that we will bring before the committee witnesses who can speak much more profoundly than I to the issues I have raised this evening.

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, of all the debate that we have heard tonight I think the Hon. Member for Swift Current—Maple Creek—Assiniboia (Mr. Wilson) had the most articulate position of any taken this evening. I think he fully described what this Bill will do and what it should do. The bottom line of his position is simply this: it will make a stronger agricultural sector in the country from one end to the other.

That is what this Government has been attempting to do since 1984. It has been attempting to create a strong farming community. This measure is part and parcel of that.

This is evident in some of the figures the Minister of Agriculture has used in some of his speeches over the last number of months. Presently in Canada we have a very strong agricultural sector with only one out of twenty farmers at what we would consider a risk stage as far as finances go. Of all the farmers in the country 60 per cent of them do not need operating loans. The reason for that is very simple. It is because we have looked after the farming community of Canada, something which we will continue to do.

Farmers are extremely hard working and Canadian farmers in particular are very successful. They provide for their families and their communities. They are really the backbone of the nation. They contribute immensely to our economy and to our society as a whole. We do not want to forget that.

This Bill is very important for me. I come from Atlantic Canada where the climatic conditions are different from the other parts of Canada. What this Bill will do is meet some of the needs of a region such as mine. The geography and the climate of eastern Canada, particularly New Brunswick, are somewhat the same as certain parts of Europe. There are certain strains of grains in Europe, potatoes and other root crops which would prove to be very successful in Atlantic Canada. Those particular crops, if we did have the right to use them in Canada, would make us much more successful in Atlantic Canada.

We have to import a great deal of grain into Atlantic Canada. That is subsidized by the federal Government, as most everyone on both sides of this House will realize. Because it is subsidized it means that Canadian taxpayers are actually paying to put grain into eastern Canada. If we could have access to some of those species which would produce a higher grade and survive some of the climatic conditions we have in Atlantic Canada, we would all be better off. For that reason I believe this legislation is very important.

As a Government we feel very strongly that plant breeders' rights legislation is long overdue in Canada. Not having it has been detrimental to the plant breeding industry in Canada. The Member from Saskatchewan alluded to that fact. It has been very difficult without it for a number of people. It has nothing to do, as the Opposition has attempted to point out, with multinational corporations. The fact of the matter is that all the nations of the world that have used plant breeders' rights do have such legislation. There is a multiplication factor present. In other words, it encourages more businesses to get into the business of plant breeding.

The Netherlands, which was one of the first countries to institute such legislation and which did so in 1941, has 983 businesses in plant breeders' genetics. That number has increased significantly every year. It has nothing to do with multinational corporations. There are many small businesses in that area as well.

Denmark and France have the same proportions. The United States in 1970 instituted the same type of legislation. It has 786 companies involved in this area.

We are one of the few industrialized countries in the world that has not gone that route. I feel that it is time that we do so.

Mr. Milliken: Why?

Mr. Thompson: I will answer that question put to me by the Opposition. At the present time it is difficult for Canadian breeders to ensure that their varieties are protected in other countries. It is plain and simple.

In Nova Scotia, a successful plant variety well suited to processing called Shepody was given to McCain's by Agriculture Canada. As you know, Mr. Speaker, McCain's is located in my riding. It is a very important part of my riding. The potato industry is a very important industry in New Brunswick. The company's French office was able to protect that variety under French plant variety protection, thus securing a return on Canada's research investment.

We had to go to another country via the corporation to get protection for that variety. Obviously, it is preferable to pass our own legislation so that we can consistently enter into reciprocity with other nations and not give away our hard work paid for by Canadian tax dollars or private industry. We do not want to give it away.

Similarly, Canadian growers often face problems when trying to import varieties since many foreign plant breeders are reluctant to export their products to Canada, knowing that they are not protected by any comprehensive legislation. This Government understands their concern and knows it is reasonable since a great many varieties of ornamental plants commercially available in Canada have been copied or pirated from foreign plant materials. The horticultural industry in particular needs access to imported varieties, as do potato growers.

In addition, without plant breeders' rights we may not be in a position to face competition from those who have not bothered to invest time, money and energy in plant research and development, be they foreigners or Canadians. Our breeders must be compensated through royalties for investments of millions of dollars.

Plant breeding costs money—a lot of money. It involves a great amount of risk. As you know, Mr. Speaker, it generally takes 10 years to 15 years to select a variety that can be sold commercially. During that period breeders have to cross numerous plant varieties and produce numerous parent lines. Seed is then obtained and varieties tested. From these hundreds of varieties only a few make it to the market–place. It demands great patience and can be subject to many pitfalls, which is why plant breeders must be compensated through royalties. Profit is not a dirty word, although I guess it is if you are a socialist. However, that is precisely one of the reasons why we need plant breeders' rights. If we have a healthy agricultural society and Canadians are concerned about feeding the hungry of the world, one way to do it is to develop the varieties that can be used to create wealth in this nation. We know that the wealth in our nation is shared by many nations in the world and, in doing so, we can secure a food policy for all the people of this earth. We are not being narrow at all when we are looking at plant breeders' rights. We are looking to the good of humanity, not being selfish.

• (2230)

Mr. Milliken: Absolute nonsense.

Mr. Thompson: We cannot underestimate the importance of plant breeding in Canada, and we will not lose this opportunity to strengthen the agricultural sector.

Let us consider the comments of a former Minister of Agriculture, Eugene Whelan, in 1980, when that Government attempted to bring in its own plant breeders' legislation. Mr. Whelan had this to say about plant breeders' rights:

> The basic idea behind any proposed legislation protecting the work of a plant breeder, is to give recognition to the breeder for the work he's done in breeding and introducing a new plant variety. Right now inventors can patent their gimmicks, and writers get royalties on the books they get published. Plant breeders, although they are pretty much the same as authors and inventors, have no way of benefiting from the work they do.

That is a quote from Eugene Whalen, that fellow with the funny green hat. He was not a bad Agriculture Minister after all.

Mr. Whelan went on to state:

> I'm a strong supporter of our Canadian plant breeders. Their efforts have contributed a great deal to the success of Canadian agriculture today. I want to see them encouraged, and I want to see them get the protection for their work that they deserve.

This legislation will give them the protection for the work they do. They deserve it.

It is surprising to realize the number of people in the House on the opposition side who actually support this legislation. Unfortunately, they are not here tonight. There are a few ragtag renegades from their Party—I am not referring to the Member for Gloucester (Mr. Young) who is a good New Brunswicker. There are a few on that side of the House who support this legislation but they are very silent tonight. I am very pleased with that silence.

It is an historical fact that the settlement of the Canadian West was to a large degree facilitated by the development of a single superior variety of wheat, Marquis, produced in Ottawa by a plant breeder with the federal Department of Agriculture. Members opposite do acknowledge that this was a result of the Canadian Government. It is interesting that they would do so.

Farming has always been crucial to our country and new and improved varieties are the foundation upon which it is built. It is embarrassing to see the role which plant breeders have played in Canada's history when one notes how Canada ommitted itself from the history of plant breeders' rights. The agricultural sector has been waiting for a long time, while other nations passed the legislation they so desire.

In 1923, the Canadian Horticultural Council recommended legislation for plant patents. However, nothing was done at the time. Meanwhile, the Netherlands passed plant breeders' rights in 1941, Germany in 1953, and Denmark in 1962.

By 1961, the International Convention for the Protection of New Varieties of Plants was drawn up among six European nations to promote continuity and the exchange of plant breeding and germplasm. In 1964 the United Kingdom passed its legislation.

In 1970, the United States introduced the Plant Variety Protection Act. France also adopted plant breeders' rights in 1970, as did Sweden in 1961. During that decade 11 other countries passed similar legislation.

That same year in Canada, the University of Guelph sponsored a conference on plant breeders' rights which was attended by interested organizations. That conference recommended that PBR was essential to our country and that legislation be passed.

In 1972, the Canadian Agricultural Services Co-ordinating Committee agreed that plant breeders' rights would be desirable in Canada. The committee is a broadly based organization with representation from provincial Departments of Agriculture and industry. It also includes deans of agriculture from Canadian universities. That prominent organization asked Agriculture Canada to draft proposals for legislation.

In 1980, Hon. Eugene Whalen who was an ardent supporter of plant breeders' rights, introduced Bill C-22. It was essentially the same Bill that we are introducing, but it died on the Order Paper. In that same year, Australia and Ireland acted and passed its legislation.

In January, 1988, the Hon. John Wise introduced into Parliament a plant breeder's rights Bill, essentially the same as Mr. Whelan's. Again, it was not passed because an election got in the way.

Mr. Milliken: The Government never got around to doing anything.

Mr. McDermid: You were not even here.

Mr. Thompson: Had their not been an election, I am sure the Senate would have held it up like it did with so many other Bills that we introduced which were good for the country but which the Senate obviously did not want to pass. That is what they did with the Free Trade Bill and the Child Care Bill. I am sure they would have done that with the plant breeders' rights Bill if it had passed this House.

Except for some minor legalistic changes, it was the same Bill we are debating today. The agricultural sector is behind us and it is time for the Government to adopt that legislation. It will create an incentive for further development of plant varieties, which we need in Canada.

Plant breeders from Hungary, Japan, Ireland, Sweden, Switzerland and Australia have already gained from breeders' rights legislation in their own countries. We as Canadians can do the same thing.

Let Canadian breeders benefit from this proposed legislation too. We know that in order to obtain some return on their varieties, Canadian breeders need reciprocity. Many of their products can sell well elsewhere, but we must act to give them the mechanisms to protect their work domestically and internationally.

Without Bill C–15, our producers are being denied the best varieties from Canadian and foreign sources. The absence of plant breeders' rights legislation leaves Canada out in the cold. Our country and Norway are the only developed nations in the world not to have some sort of mechanism to protect the work of their breeders. We must recognize this fact and move forward with this proposed legislation. I trust that Members of the House will help us do so.

Mr. Jim Fulton (Skeena): Mr. Speaker, we have been listening to the twisted malinformed ragtag minds of the group who call themselves Progressive Conservatives. It is unfortunate that none of the regressive convertibles have taken the time to read Bill C–15, something that many Canadians would be interested in knowing about. There was only a couple of hours of debate before the Deputy Prime Minister (Mr. Mazankowski), who calls himself a western Canadian, and calls himself the Minister of Agriculture, brought in the guillotine, the savage choking off of debate before Canadians know what is really being brought before the House.

• (2240)

This is a very important debate because it is about the privatization of life forms and genetic material for profit. Of course, this is just the second chip. We saw the drug patent legislation brought forward by the so–called Progressive Conservative Party. That was, of course, just a chip in relation to the free trade deal, a piece of legislation which is now known from coast to coast and from north to south in this country to be harmful to Canadian consumers in terms of drug pricing.

The only Tory plank that we have heard in here all evening is that Eugene Whelan liked the idea. If that is the sole foundation of Conservative policy it should be enough for a few of the rank and file on the government side to smell a rat and to vote against it.

Let us have a look at the Bill, Mr. Speaker, something which I am sure no one on the government side has done. They do not want to be confused with facts. Clause 5 says:

> Subject to this Act, the holder of the plant breeder's rights respecting a plant variety has the exclusive right
>
> (a) to sell, and produce in Canada for the purpose of selling, propagating material, as such, of the plant variety;

I think there are a lot of Canadians out there who would like to know what that means. Let us go on to Clause 6 which says:

> The term of the grant of plant breeder's rights shall, subject to earlier termination pursuant to this Act, be a period of eighteen years,

Now we know what the Act is for and how long the period is. Let us now look at the offence section. It is always interesting to know where Conservatives are coming from. Let us have a look at what would happen to the granny on the Prairies growing daisy seeds, British Columbians on Vancouver Island who are growing some pear trees and have been giving them away or selling them for many years, or New Brunswickers who are producing their own spud varieties, if they wanted to continue selling or propagating seed and were not participating in this new bureaucracy, this massive red tape being proposed by the Conservatives. They can be convicted under a lot of clauses but Clause 53(4) says:

> An individual who commits an offence—
>
> (a) is liable on summary conviction to a fine of not more than five thousand dollars; or

—if the Minister of Justice decides that he does not like the person particularly—

> (b) is liable on conviction on indictment to a fine of not more than fifteen thousand dollars or to imprisonment for a term not exceeding three years,

So you go to jail for three years and pay a $15,000 fine for giving somebody some asparagus.

Let us have a look at what some people have to say about that. The cart is, as you know, way before the horse, as is always the case, it seems, with this Government which is wandering all over the map in terms of policy.

We know that Canada desperately needs a debate on genetic engineering and biotechnology. I have had it on the Order Paper for more than one Parliament. Does the Government ever take the opportunity to get involved in an important and fundamental debate that this country

and many countries around the world need? Not a chance, it wants to privatize and give it all over to their pals the multinationals.

How many Members in this House know that already 10 per cent of world trade is in chemicals, pesticides and herbicides? This comes at a time when Canadians are demanding a change in terms of the products that we collectively eat, chemical and pesticide-free food. For example, in the Province of Quebec a provincial poll was done earlier this year. Twenty-five per cent of the residents of the Province of Quebec want chemical and pesticide-free food.

I know that the Deputy Prime Minister often reads *Harrowsmith*, one of his favourite publications. An article entitled Profitable Patents reads:

> While the proposed patent system appears logical and fair on its face, there are those who believe it to be neither necessary nor desirable from the public's point of view. Plant patents will have one inarguable effect: greater profits for those who sell seed. Holding ironclad rights to a particular new seed gives the marketer a new selling tool, with guaranteed royalties—often 10 per cent of the seed price for the breeder, his sponsor or the organization which has bought the patent.
>
> The prospect of these greater profits, along with a growing awareness of the potential value of good seed in an increasingly hungry world has suddenly lured a number of unlikely corporate players into the seed breeding and marketing arena.
>
> As soon as plant patenting systems were planned and legislated in Europe and the United States in recent years, seed companies began to be snapped up by mega-corporations, often those already having interests in agricultural chemicals and food products. Britain's plant patenting system was instigated in 1964. At about that time Ranks-Hovis-McDougall, one of the "Big Three" in baking and flour milling in the British Isles, purchased scores of agriculture-related businesses.
>
> In his report to company stockholders in January, 1964, the chairman of Ranks said that the corporation had "secured substantial additional interests in business trading directly with farmers and we have been engaged during the year in building up this activity—by the acquisition of further businesses and by strengthening the links between the various companies".
>
> Ranks, incidentally, owns several businesses in Canada, among them Georgian Bay Fruit Growers Ltd. and the Gattuso Corporation, manufacturers of spaghetti and pasta products.

This is a very interesting part, this is why I know that the Deputy Prime Minister read this section of *Harrowsmith* before he came up with this dire Machiavellian plan of bringing this in hoping that Canadians would not know that second reading was going on under the threat of closure. The article continues:

> Seed patent legislation was the subject of a 40-year controversy in the United States, with critics predicting dire consequences if the law were passed. Nevertheless, on Christmas Eve of 1970, the Plant Variety Protection Act was hurriedly approved in Washington. Bernard Leese of the U.S. Plant Variety Protection Office, now says that it was "rather an expeditious act on the part of Congress—everyone wanted to get home for the holidays".

Also in the *Harrowsmith* article, which I think is particularly true, under "Transient Politicians" is the following:

> What very large corporations want, they generally get. Leonard Silk wrote in a March, 1974 editorial in *The New York Times*, "The danger is not that corporations will pursue their pecuniary interests—but that they will corrupt and capture the powers of government and transfigure national values and institutions to serve their corporate interests."
>
> It is interesting to note that both Ranks-Hovis-McDougall and Ciba-Geigy were known contributors to the Conservative party in Britain and that party, under Sir Alexander Douglas-Home, was in power when the Plant Varieties and Seeds Bill was passed there in 1964. In Canada, both the Liberal and Conservative Parties have expressed support for plant patents.

We are now starting to get to the interesting material, Mr. Speaker. Let us take a look at what actually happens under the heading "Out with the Old".

It reads:

> Public breeders routinely produce standard varieties that are economical for the farmer or gardener. It takes seven or eight breeding generations longer to develop a standard rather than a hybrid tomato, for instance, but after that it is very easy to produce additional seed. Hybrid vigour, the aspect that makes hybrid corn so attractive, is more prevalent with some crops than others, and is determined in part by the plant's method of reproduction. While hybrid corn is often markedly more productive, standard tomatoes and peppers may be little different from their hybrid counterparts.
>
> "We've tested a thousand or so different hybrids," says Dr. Ernest Kerr, "but none of these were equal to the best standard varieties of tomatoes."
>
> Nevertheless, standard Canadian-bred tomatoes like Veeroma, Sub-Arctic Maxi and Moira may eventually disappear from the catalogues to make room for new, lucrative hybrids and patented varieties—hybrid or standard.

Maclean's of March of this year points out what happened in the United States last year in an article called "A harvest of toxin". It reads:

> Readers who waded through the exhaustively researched 6,500-word story—

—in the *Wall Street Journal*, hardly a left-wing magazine, Mr. Speaker—

> —learned that last summer's drought may have left up to 30 per cent of the United States' corn crop—which provides more than one-third of the world's supplies—contaminated with a natural toxin 100 times more deadly than industrial polychlorinated biphenyls (PCBs).
>
> In fact, the story, in part at least, was already known to most American growers and processors of food, as well as to the Canadian agencies charged with safeguarding the country's food supply. They have known since last autumn that summer-long high temperatures and low rainfall produced ideal growing conditions for *Aspergillus Slavus*, a fungus that attacks ears and kernels of heat-weakened corn.
>
> There was less to reassure Canadians, however, about the safety of more than 340,000 tons of American corn—and no fewer than 32 varieties of processed corn ranging from cornmeal to tacos—imported in Canada each year. That corn is supposed to meet standards set by the United States Food and Drug Administration, Blewett told *Maclean's*. But, as *Journal* reporter Scott Killman noted, "Those who regulate grain elevators lack money and manpower."
>
> The Quaker Oats Co., which owns the world's largest cereal mill at Cedar Rapids, Iowa, tests six samples from each truckload of corn—and last fall was turning away as many as one in five because of aflatoxin contamination. The danger is greater for Third World consumers who are major buyers of U.S. corn, and often lacks sophisticated testing facilities or strict food-quality regulations. Indeed, medical journals record the deaths of about 100 people in Indian in 1974—

And it goes on. So we know what some of the problems are with some of these hybridized, highly patented and restricted varieties that are controlled by the chemical companies.

• (2250)

Tories do not want to talk about monopoly control, but let us have a look at the facts. There have been 1,008 corporate take-overs of seed companies since 1969. Many of the purchasers also sell fertilizers and chemicals. In the 1970s there were 30 companies that produced crop chemicals. Now there are about a dozen and within a decade the industry itself says there will only be six remaining. Under the European and U.S. PBR legislation, 90 per cent of all seed patents are held by a handful of multinationals. After the year 2000, it is forecast that from 10 to 20 major corporations will dominate the seed markets. Seed and fertilizer companies may continue to buy up and hold patents on seeds, making it harder for farmers in Third World countries to get the seeds they want. These companies are focusing greater research efforts on developing pesticide resistant seeds rather than pest resilient ones.

Let us take a look at how long this debate has been going on. I refer to an article written a decade ago by Carol Allen called: "Life is Not a Bed of Patents". This was written in respect, of course, to the now Conservative icon, Eugene Whelan—the Conservative icon on plant breeders' rights.

> What is the difference between patenting a tomato and patenting a light bulb?

That is a question that not too many Tories could answer.

> This question was put to me by a querulous Seed Trade Association officer who thinks we should permit patents and royalties on new plant varieties. He appears baffled that the idea of levying royalties in living, growing things, the source of human food, is repugnant to me.
>
> If he really does not understand the difference between living and inanimate matter, he must be vastly perplexed that his 30-watt bulbs do not seed themselves and grow into 100 watts. The self-evident fact is that no one invented the tomato. We do not "invent" life. Nevertheless, many industrial countries (the U.S. and the U.K. among them) do grant plant patents, euphemistically called plant breeders' rights or PBRs. Since Bill C-32, which would give such rights to Canadian breeders, has been placed on the parliamentary order paper by Agriculture Minister Eugene Whelan, this particular bit of lunacy could become a domestic reality unless we scrutinize its implications. The fact is, we may be about to leap on the band wagon just as others, chastened by experience, are preparing to leap off.
>
> Agriculture Canada insists patents are just basic human rights extended to breeders and that they will not affect farmers significantly. But farmers in other countries who have lived with patents are already disillusioned. Swedish, Swiss, U.S., British and German farmers, for instance, are disgruntled about higher seed prices.
>
> Since the advent of patents and the move away from public breeding in the U.S., the National Farmers' Union has complained that seed prices rose 150 per cent between 1972 and 1977, more than any other component of the agricultural inputs. Many of the new patented varieties of seeds, though they do produce higher yields, are more vulnerable to disease.
>
> Furthermore, wherever patents exist or are pending, they have created a virtual stampede to the seed business by multinational chemical and pharmaceutical corporations in pursuit of royalties. Small seed companies are vanishing as motes into a vacuum run by companies like Ciba-Geigy, Upjohn and Royal Dutch/Shell. In the last decade, roughly 40 small U.S. seed companies engulfed in this acquisitive romance. In Canada, Stewart Seeds is now owned by Ciba-Geigy, while Warwick Seeds is owned by Pfizer.

It all makes corporate sense, but not necessarily good farm policy. What could be more manifoldly profitable than to market seed, fertilizer and pesticide, all neatly interdependent, from one tidy carpetbag? But do we really naively expect the seed arm of a multinational corporation to search eagerly for a patentable variety of plant that requires little input from its pesticide and fertilizer arms?

Patents attract multinationals: multinationals flourish by mass-marketing uniform products, not by custom-tailoring products to small, specialized markets like Canada. Two thousand traditional vegetable varieties were dropped last June from the European Common Catalogue. Britain alone lost 500 vegetable varieties in July when the country's seed regulations made it a crime (punishable by a fine of 400 pounds) to sell or catalogue any variety not on the list.

I suppose this will be the next step by the Tories.

It is estimated that Europe is faced with the loss of three-quarters of its vegetable material in the decade.

Yet Eugene Whelan and Bill C-32 are still holding hands. As prominent a body as the Food and Agricultural Organization Secretariat to the United Nations opposes patents because they restrict free exchange of information and plant material among world breeders. An internal FAO document also states that patents have resulted in monopolistic practices, crop epidemics in the Third World and a narrowing of the genetic base upon which all plant life rests. And this in a field where tolerances are astonishingly thin: though there are 300,000 higher-order plants on the planet, more than 90 per cent of human nutrition derives from only 30 of them; only 30,000 have been studied, and by the turn of the century 50,000 may have vanished forever. Nevertheless, Canada ignores the warnings of informed bodies such as the U.S. National Farmers' Union and blithely considers turning over this fragile balance to a multinational-dominated business.

Why should Canada join this demonic parade to genetic wipeout? To be as neglected in the global seed market as we are in the pesticide field, where we make do with the products designed for warmer climates and larger markets? Make no mistake: in the political world of multinational agri-business, a tasteless tomato can bounce pinkly through a harvester like an Indian-rubber ball and survive a 2,000 Km truck trip undented and collect royalties will win every time over a tastier, more nutritious but squashable and unpatentable tomato. Mass production and mechanization have already produced the rubberized tomato and make traditional varieties shockingly scarce. They have also routed 6,000 small Canadian growers in the last 25 years.

Greater profits and increased uniformity are not everything.

Quality counts, as does designing a crop for its growing conditions; as does, most crucial of all, preserving old plants in the genetic pool that we may need to correct our mistakes. To say nothing of the quaint notion that many of us share that living plants should be accessible to all humankind, without royalties.

This is what I consider to be a truly excellent article by Carol Allen.

There is a growing coalition to which the Government does not want to listen. Let me just give one final quote from a letter by Susan McIntosh, the Coordinator of the Grow Coalition on Pesticides. In 1988, the economists reported:

> Chemical companies have spent $10 billion or so in as many years buying up seed companies worldwide—

She lists Pioneer Hi-Bred, Sandoz, Dekalb-Pfizer, Upjohn, Limagrain, Shell Oil, ICI, Ciba-Geigy, Orson and Cargill as the world's ten largest seed companies.

> Seven of these ten are also involved in crop chemicals and at least six sell seeds in Canada already. This trend will escalate if PBR should become law.

No Member of Parliament, no Canadian citizen should support Bill C-15 as it is proposed. It is a scurrilous and wrongful Act.

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, it is a privilege to rise again in the House and have a major debate for our fellow Canadians to judge us all by.

This is a Bill that should have been passed by this Parliament, I submit, at least 10 years ago. The question is really whether Canada and young Canadians are going to participate in the future of the world because biotechnology is here, plant breeders' rights are here and it is not going to go away. The question then is which Party can best take Canada into the 21st century.

• (2300)

The question then is which Party can best take Canada into that 21st Century. If the NDP had been in control of this country when the industrial revolution came about, we would not have participated. When we switched from water to rail, from rail to airplanes and trucks and cars, Canada would not have played a part in it if the NDP—

Some Hon. Members: Oh, oh!

Mr. Thacker: The NDP are clearly more than neo-conservatives—nothing would have ever happened the first time.

Mr. Funk: We would be a country like Japan.

Mr. Thacker: I would like to see the New Democrats get back to its roots when it was thinking of the future and coming up with ideas. They were reformers. It was interesting and a lot of us were excited by many of the reforms they came up with. Now you dare not change the time of day without having the NDP up yelling at you.

An Hon. Member: There are no farmers over there. What are you talking about?

Mr. Fisher: Hey, hey!

Mr. Thacker: We were through this same debate in the last Parliament over drugs. And before we get into that, what really let the western world develop so that even people who were classified as being in poverty live a standard of life that is higher than aristocracy and how kings and queens lived 200 years ago?

Mr. Funk: That is because of the Wheat Board.

Mr. Thacker: That indicates the level of debate which some of the NDP Members are able to achieve. They think that nationalizing everything is the answer.

Mr Funk: Don't you like the Wheat Board? It must be doing something right.

Mr. Thacker: They honestly hold that view. In spite of the fact that in every socialist country of the world socialism has failed and failed dismally.

What was the secret, Mr. Speaker? As you well know, it was when we tried that experiment in the western world. It was to say to people "You can own a piece of property. You have the fundamental right to speak. You have the fundamental right to association and you have the fundamental right if you come up with something new and creative, whether it is an industrial design, a piece of music, or whether it is a car or a truck, you have the right to own that and for a period of 17 years you get to develop that product and collect a royalty if someone else wants to build it".

Under that system of private property, of land, fundamental rights, including the rights to patents, we developed wealth and created a lifestyle that has put all of us at a standard of living that is truly incredible. But it all goes back to those fundamental rights.

Then governments came along. During the 1970s, because some drug companies were charging too much, different nations responded in different ways. Some of them took away their patent rights, which is the way Canada went. Other countries handled things in a different way. They put in price review boards so that they were more regulated. Canada took away those patent rights and we lost tens of thousands of high tech jobs. We got that fixed up in the last Parliament. Now young Canadian men and women can come out of our universities and colleges, take specialized training, do the research and create this new wealth for the 21st Century, Mr. Speaker. It is exactly the same way with patents.

Let me ask the NDP this: what other countries now have plant breeders' rights. You would think that it is all going to go away. It is not going to go away. You either play in the modern world or you become a has-been. Do you want to have Canada as a Third World country? Do you want to have no jobs for your young people, especially the bright ones?

Mr. Fisher: You either steal from the Third World or you don't survive.

Mr. Thacker: What about Australia, Belgium, Denmark, France, all socialist nations? Then there is the Federal Republic of Germany, Hungary, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, many being socialist. What about Spain and Sweden? Great Sweden. The New Democrats continually push Sweden as their example of Utopia.

Mr. Fisher: You said socialism was a failure. Now you are praising it.

Mr. Thacker: The New Democrats push Sweden on us from every angle. Sweden has plant breeders' rights. Why should the Swedish people get jobs and the small royalties rather than us? On that point of royalties, Mr. Speaker, it permits a proprietor to collect a royalty. Estimates are about $4 million a year. Royalties go back into research and development. If we had had ten years of this we would have had over $40 million worth of research. If we had had a 4 per cent royalty on canola, which was developed in Canada and is now marketed all around the world, we would have had no trouble financing all the research and development in the entire Department of Agriculture. We could have dozens of plant varieties like that. Canadians understand that the New Democrats will permanently lock this country into a state of underdevelopment whereas the Progressive Conservative Party will take it into the 21st Century and create the wealth so that our children and grandchildren

will be able to have the same high standard of living that we have. That is a benefit to this nation.

Some Hon. Members: Hear, hear!

Mr. Fisher: Just like Sweden.

Mr. Thacker: I could go on.

Mr. Fisher: Please do.

Mr. Thacker: There is this talk of uniformity as if there is something wrong with uniformity. That is what Marquis was. That is what Thatcher grain was. They are all uniform crops. We have millions and millions of acres that we grow with uniform crops and we feed the world because of Canadian research and development.

The New Democrats would block that research and development and as a result we would slowly fall further and further behind. It is a question of whether things will be done by public or private people. Canada is a young country still charging up the mountain and creating wealth, and the New Democrats would make us old before our time. They do not want corporations or private individuals to do anything. With the New Democratic Party everything would be done by a government.

Let us look at what has happened in Argentina. Why don't the New Democrats read the history of Argentina? It got further and further into crown corporations and government control. Only 60 per cent of Argentina's industry was controlled by government but that brought on deficits and a national debt which led to hyper inflation. Argentina cannot get out of the mire. That situation has happened in dozens and dozens of countries. The trail is deficits, high debt, high interest rates and then hyper inflation. That is what the New Democratic Party's policies would do to this country, Mr. Speaker. We are not going to let it happen.

The debate by the New Democrats goes back to anti-profit. God, they cannot stand it if someone makes a profit in spite of the fact that they themselves have enormous profits just from their own salaries. They have savings too. They don't spend everything they make. Then they go after big corporations, especially multinationals. Their final glory is socialism, in spite of the fact that tens of millions of people are trying to get into this country to get away from socialism and the totalitarian aspect of socialism.

New Democrats are not content to take over part of the economy, they want to remake men and women into the perfect ideal as was done during the French Revolution that led to massive slaughter.

• (2310)

That is what happens when we get down that road to socialism.

An Hon. Member: They are against immigration now.

Mr. Thacker: Against immigration too. My gosh, at 11.10 at night, the NDP Members go absolutely berserk on us. I do not know what gets into them. It must be late.

It is a fundamental question and Canadians will listen to the debate on second reading when it gets into the committee stage. I want to have no doubt at all that I think that some of our churches and the NDP have blocked this Bill for far too long. By the time we get it through, once again Canada will be 10 to 15 years behind. That has been the problem with this country. We are always too far behind. We have to get ahead of the game so that we can continue to have the high standard which we have enjoyed. When the Liberal Party was the once mighty Liberal Party and it was prepared to create wealth and then at the same time be fair on the redistribution of that wealth, it was a great Party and many of us voted for the Liberal Party and were proud to be a part of it. It has let itself go down that socialist path. It might as well join with the NDP gang because it has no original creative thoughts. It is only the Progressive Conservative Party that has them now, and with the creation of wealth we believe in that Conservative principle. It has to be done by individuals and private enterprise.

Of course, we have a progressive aspect to redistribute, to tax away from the people who do well to provide for the people who are truly needy. That is what developed this country into a great country. The Liberal Party played a role in that for some time but they have not done so for the last 15 years. In spite of the fact that they brought in the Bill originally, they are now standing up and opposing it. They must have a hard time swallowing that. Thank you, Mr. Speaker, I will look forward to this Bill passing.

Mr. Soetens: On a point of order.

The Acting Speaker (Mr. Paproski): The Hon. Member for Ontario on a point of order.

Mr. Soetens: Mr. Speaker, as you are aware, the news media in Canada has tremendous ability not only to report the news but to make the news. It was just announced on CTV not five minutes ago that earlier this evening this House had adjourned for the summer. I find it rather interesting. I hope it was a portent of things to come this evening.

My point really is to make sure the House Leaders here are aware that we have already adjourned for the evening and that they get the message. The speeches which you have heard from the Progressive Conservative Party are of course live. I cannot comment on the others.

The Acting Speaker (Mr. Paproski): The Hon. Member for Prince Albert—Churchill River. I know he is alive.

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, I am happy to lead off the late show tonight for the benefit of those of us who are still here participating in this important debate.

It is an interesting debate for a New Democrat or any Member from Saskatchewan to be participating in because it very much parallels what is a very hot debate in that province. That is the debate between two competing visions which are becoming more and more clearly into focus.

Mr. Schneider: One is foresight and the other one is hindsight.

Mr. Funk: The Hon. Member for Regina Wascana (Mr. Schneider) said one is foresight and the other is hindsight. Those are my sentiments exactly.

I do not think the Members opposite do know any more and that is why I think they will no longer be the government of Saskatchewan, for example, after the next provincial election. I will put any money on that, although I am not a gambling man. What this debate is all about is the privatization of seed versus a vision of the modern family farm which can survive a corporate onslaught which the Progressive Conservatives are unleashing on the farm community.

As I stand up to speak here tonight, I am not only standing up as the Member for Prince Albert—Churchill River, approximately 20 per cent of that population are farm families. There are quite a few of them because they are relatively small farms, probably averaging four quarters of land in our constituency. About half of the farmers are combined income farmers and work off the farm. It does maintain a large rural population, with 3,000 people in the area of Buckland alone.

I speak also as a Member of the Spruce Home wheat pool committee, something I have been on since 1975 when I moved there. My father was the chairman of the Saskatchewan Wheat Pool committee in Laird, Saskatchewan for 46 years, which I think is the record tenure for any president in that job within the wheat pool. He fought very hard to keep the railway, when Ray Hnatyshyn, the former Member for Saskatoon West, who was defeated in Saskatoon—Clark's Crossing, was their Member. That was one of the reasons. He promised that if the Progressive Conservatives were elected there would be heavy steel on the rail line to Laird. That steel is still not there. The elevator company no longer has the confidence on that point and is letting it run down. My dad feels that his 46 years as chairman of the wheat pool has gone down the drain because of the type of philosophy that is embedded in this Bill.

It is not because I believe that profit is a dirty word or that Members on this side of the House believe that profit is a dirty word. It is a methodology that from time to time Conservatives do manage to sell. They sold it successfully in 1982 in Saskatchewan. They sold it again in the last federal election to a large portion of the population, certainly not though in Saskatchewan, British Columbia and the Maritimes. Nevertheless, they do sometimes try and convince people that people on this side of the House, be they New Democrats or Liberals, somehow or other with New Democrats profit is a dirty word.

There are all kinds of business people who are members of the New Democratic Party, including the MLA for Prince Albert—Duck Lake, whose campaign I managed and who had strong support from the Prince Albert business community. When we speak of Prince Albert, that is the seat that I represent. I do not have to remind the Members whose seat that was up until 1979, until his death: the Right Hon. John G. Diefenbaker. The first election I remember hearing anything about is when I went to the polls with my dad at the Ebenfeld school in 1957. I had the feeling in that election that my dad voted for John Diefenbaker. We were in that constituency. Years later, it turned out that he had. That was some-

thing he did because he believed in John George Diefenbaker, as a lot of people in that part of the country did.

The reason they believed in John Diefenbaker in 1957 is because of what happened in this House when an arrogant Liberal government at that time invoked closure for one of the few times in Canadian history in the pipeline debate. John George Diefenbaker led the charge, not only in this House but in the country. There were a lot of people from all kinds of different philosophies who followed him.

That is why I am saying to these Hon. Members opposite that their use of closure is starting to remind me a bit of an acquaintance of mine whose marital philosophies are other than mine. I was asking the acquaintance, in a discussion of our mutual lives, why it was that he did not feel guilty in the course of the romances he pursued. He said that the first and second time he felt a little guilty, and by the third time it was pretty well passing. He no longer felt guilty about the kind of relationships he was carrying on. I guess I could understand that. I knew the person fairly well.

That is the way the Members opposite have become about closure. They have used it once, they got away with it in free trade, so all the way through this session it is closure, closure, closure. It is not a crisis like the pipeline debate was. Nobody is arguing that. I think the fall of this Government in the polls—we are not high either, but the Government has fallen very dramatically—is because of the perception that is spreading through the country that there is an element of arrogance and shoving things down people's throats about this Government that they just simply do not like.

I could understand why closure was being brought in if there were some kind of crisis in the country. If we had just got through this seeding season and the farmers had run out of seed, and there was not good seed for the people to sow, then there would be a crisis in the country that would perhaps justify taking a radical measure like this on an issue which is not particularly earth-shaking as far as the general health of the country is concerned, but it is an important symbolic issue. There is no crisis. We do not need new seed next year or the year after. We are doing very well.

Is there a crisis in production? There is no crisis in production. We had a problem with drought last year and we are still working out the details of that. Canadian farmers can produce. The Canadian research establishment has done very well for us. We run one of the most modern and efficient farm economies in the world. That was with public seed production. That was with institutions like the Canadian Wheat Board. That was with a country elevator-based railway system. I do not think those ideas are particularly old fashioned. I think those ideas just do not fit in with the philosophy of Members opposite.

• (2320)

Another thing that would have called for closure is if there had been such a crisis that it required this kind of radical action. If the farmers themselves were clamouring for this legislation, it might have been justified. However, I have not seen any farmers marching on Parliament Hill lobbying for plant breeders' rights. Not one farmer from my constituency has written me a letter saying that he wants plant breeders' rights, and there are some former Conservatives in that constituency as well as plant breeders.

The Government says that it has consulted with farm groups. One of the authors of the very good report on Indian post-secondary education which came out tonight had a chance to see for himself what the people thought of the Government's consultation process. That is just one example, but he must also have talked to farmers who were members of the Alberta Wheat Pool, the Saskatchewan Wheat Pool, the Manitoba Wheat Pool, Unifarm or the National Farmers' Union. Farmers were not pleased when the Government took oats out of the Wheat Board. They did not think that they had been consulted.

We heard about pensioners being consulted on taxing away 100 per cent of the pension benefits, something which discriminates against them because all income should be treated alike. Why should pensions be treated any different from dividends, for example? The Government said it had consulted with pensioners.

Mr. Fisher: Couldn't name one, though.

Mr. Funk: My hon. friend points out that when asked to name one, that was the end of that argument.

Earlier in this debate, the Hon. Member for Swift Current—Maple Creek—Assiniboia (Mr. Wilson) said that there were several reasons for this particular legislation. He said that one was to enhance our exports and another was to practice better husbandry. However, he offered no compelling argument other than that Conservative Members think that is true.

We are producing lots of grain for export and we could produce a lot more. We could invest more in plant breeding, and I think we should. It does not matter whether it is private or public investment. The point is that those resources should stay in the public domain so that seed is available to everyone as it has always been. Farmers can afford high quality seed. It is a national and international resource and should be treated as a public resource.

Then the Hon. Member said that some of the provisions in the Bill, including the 18 years of the patent's lifespan and the exchange of information, were because of an international convention that we needed to become a part of. The international convention is made up of those countries which, as the Hon. Member for Skeena (Mr. Fulton) so eloquently outlined, took their cues from large multinational corporations and did their bidding. Sure enough, a farming system evolved which followed that kind of philosophy.

The Hon. Member mentioned 18 countries. What about the other 160 countries in this world? Only 12 per cent of the countries of this world belong to that convention. If we join that convention, we will have to play by the rules of those 12. If we become the lucky 13th, we will not be able to do anything with the other 159 countries where much valuable work is going on. If Hon. Members think we will be better off with the 12 than with the 159, they should check out which countries those are and what kind of agriculture they support.

The Hon. Member also said that this Bill was not related to free trade. He said that no matter what happens, if there is a tornado or some other natural catastrophe, Members of the Opposition will jump up and down and say it is about the Free Trade Agreement.

Mr. Althouse: This isn't a natural catastrophe, this is a man-made one.

Mr. Funk: As the Hon. Member has pointed out, this is a man-made disaster, not a natural one. It is linked to the Free Trade Agreement, if not precisely to the language of the free trade legislation, though there is some evidence that that might well be true. This Bill represents a philosophy that is very much a part of free trade.

I fully accept the Hon. Member's criticism of people wrapping everything up in free trade, but that is because free trade is symbolic of the Government's whole philosophy, which is that large foreign corporations are more important than family farms, that the jobs of people in Ohio are more important than the jobs of people who work at the Inglis plant in Toronto. Those are the kinds of judgment calls Members opposite are prepared to make. Government Members will have to excuse us if, whenever we see that philosophy in action, we start talking about free trade. I think that is something Members opposite will have to get used to because Canadians everywhere see it in those same terms.

We have been told that we have to adopt this line of thinking to become competitive in the modern world. We have been told that the agricultural industry can only survive in the modern world if we adopt that kind of thinking. Government Members go so far as to say that Members who might oppose this Bill might be reactionary and might not want change or progress. That is relatively hard to take coming from a political tradition that has brought many of the institutions that have contributed immeasurably to the agricultural wealth of Canada, ideas like the Canadian Wheat Board which a Conservative Government brought in. The Hon. Member said that it was an old-fashioned idea which symbolized the NDP, and I think in some ways it does. We do not think that the Wheat Board is old fashioned, we think it is doing very well. If Canadian farmers are to beat American farmers, they will do it through the Canadian Wheat Board, not through Cargill, because Cargill has a conflict of interest. We are better off with our own Wheat Board, and I think most farmers believe that as well.

The difference between us is whether we see the farm community as being composed of owner-operators and large enough numbers of them to support small communities, or whether the rural community is seen as a series of large agri-business corporations. We think that the modern approach to the Saskatchewan economy has to be that the small farmers have access to the technology,

the capital and the export opportunities as well as the large farmers. It is becoming very clear that with the philosophy of this Government, along with the philosophy of its colleagues in the Saskatchewan legislature, that kind of small farming community will no longer exist and the Government makes no apologies for that.

The reason I am opposing this Bill is because I want to see a competitive modern farm sector in Canada. With the Progressive Conservative approach, we will not get that.

Mr. Walter Van De Walle (St. Albert): Mr. Speaker, I am pleased to rise in the House at this late hour to speak to Bill C–15, Plant Breeders' Rights. This legislation is long overdue. Plant technology has changed as much in the past 25 years as have medical advances and computer technology.

Canadian farmers are demanding hardy, high–yielding seeds and plants that work in concert with modern farm management practices. To compete in the world market, Canadian farmers require seeds that are stable and predictable, that have a specified growing period and that are disease and pest resistant.

• (2330)

These seeds are the result of extensive research and years of experimentation. Currently, the bulk of this expensive, painstaking research is done by Agriculture Canada and universities. The private sector has been unwilling to put time and resources into research whose results are not protected by law. Canada lacks a legal mechanism to protect the inventors of new and better varieties of plants and seeds. This need has not gone unrecognized. Plant breeders' rights have been advocated by a number of agricultural groups in Canada since 1923, when it was recommended by the Canadian Horticultural Council that legislation protecting plant breeders' rights be created. More recently, plant breeders' rights legislation was introduced in the House of Commons in 1980 and 1988.

The Bill now before the House dealing with plant breeders' rights has the same intent as the previous Bills. The purpose of the legislation is to grant the breeder of new varieties of plants control over the multiplication and the sale of productive material. The breeder will be entitled to a royalty if others sell the variety he has produced. The rights in this case work like a patent or copyright.

The implementation of plant breeders' rights in Canada will have a positive impact. The beneficial effects will include increased investment in plant breeding by both public and private sectors; improved varieties available for Canadian producers from both Canada and from other countries; and a return of royalties on Canadian varieties sold at home and abroad.

Plant breeders' rights legislation applies to new, distinct varieties. Varieties already on the market are not eligible for protection. Once a new variety comes on the market, a breeder cannot prevent others from using it in breeding programs.

The demands of the modern world, complete with pollution, international subsidy wars, and highly technical agricultural practices, make the protection of plant breeders' rights absolutely necessary to encourage the development of high–yielding, disease–resistant crops. This legislation is designed to encourage research and plant breeding in Canada.

One of the most important benefits of plant breeders' rights legislation is that it offers financial incentives to the private sector to become involved in plant breeding. Presently, the majority of research and plant breeding is done by universities and Agriculture Canada. Unfortunately, those institutions cannot keep pace with the world–wide gains in plant technology.

To date, the private sector has steered clear of plant breeding research because their results would not be protected. This legislation will encourage the private sector to become involved in research. The royalties from the sale of seed or plants would ensure research funding on both a public and private level. In this way, Canada can be competitive on the world agricultural market.

Ten years ago while visiting Britain, I had occasion to visit canola test plots. The British refer to them as trials. The area covered 100 acres, and was owned and operated by the research division of a seed retail company. Of course, in England, plant breeders' rights legislation exists and the private sector receives royalties on plants.

Competition between the organizations involved in the development of new varieties of plants will ensure that seed prices are not substantially increased. Any cost

increase in new varieties would be offset by the benefits of improved yields and increased disease and pest resistance.

There are also safeguards in the legislation to prevent excessive pricing or restrictions of seed supplies. Farmers will always have the option of using their own seed, using unprotected seed, or using the protected new varieties. I believe that many farmers will be willing to pay a little more at the outset to reap the advantages of new varieties.

In the late 1970s when I was with the Alberta Agriculture Research Council, the Alberta Government, together with a number of other provinces and Agriculture Canada, spent large sums of money on plant breeding and research of rapeseed. As a result, the canola plant was developed. This development was beneficial to producers and consumers. For farmers, it was a cash crop and allowed them to diversify. Canola seed-crushing plants were built to produce canola oil for cooking and meal for animal feed. Canadian consumers had a Canadian-made oil second to none in the world for quality and at very competitive prices. Canola became the Cinderella crop of western Canada. We were able to capture 65 per cent of the oil and fats market in Canada. That is an outstanding achievement. If there had been plant breeding rights at the time of the canola development, the private sector would have played a large role in the research and development, thus saving taxpayers millions of dollars.

Canada is one of the agriculturally developed countries that does not have legislation protecting plant breeders' rights. Canada now is in a position to learn from the experiences of other countries and implement the very best and most effective legislation. Most countries have noted very positive effects. For example, the United States documented, 10 years after the implementation of plant breeders' rights, that the legislation provided farmers and consumers with a large number of plant varieties yielding larger and better quality crops. In addition, the United States found that the plant breeders' rights inspired the private sector plant breeding that resulted in the development of more and better varieties of plants.

Certainly, the United States is not alone in recognizing the benefits of plant breeders' rights. Australia implemented legislation in 1987. The International Convention for the Protection of New Varieties of Plants established an international union to protect plant breeders' rights. The international union has some 18 of the leading agriculturally developed countries in the world as members. Plant breeders' rights legislation has found tremendous support in Canada's agriculture sector. Nationally, the supporters of plant breeders' rights include the Canadian Federation of Agriculture, Canadian Horticultural Council, SeCan Association, the Canada Seed Growers Association, and a number of other associated groups.

In closing, let me emphasize the importance of plant breeders' rights to all Canadians, producers and consumers. I strongly believe that this legislation is imperative to the future well-being of Canadian farmers.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, tonight we have had an opportunity to see very clearly what is wrong with Canadian politics. Let me start first with the disingenuousness of the Liberals who have had the nerve to rise and criticize this piece of legislation. Granted, some of them were new Members, and perhaps the old Members have not told them what the Liberal position used to be on plant breeders' rights. I have been around here for a while. I remember that the Liberals were intending to bring in this legislation prior to their defeat in 1979, and had it on their legislative agenda from 1980 to 1984. The fact that they can get up and make the kind of speeches that they have been making tonight goes to show one of the major problems of Canadian politics, that is, the insincerity, the duplicity, the hypocrisy of the Liberal Party when it comes to this and many other issues.

• (2340)

An Hon. Member: Rip Van Winkle.

Mr. Blaikie: The Liberal Members who are upset about this happen to be sitting on the other side of the House at this moment, which seems to me to be a great symbol of just exactly what I am talking about.

I listened with interest, as I always do, to the Hon. Member for Lethbridge (Mr. Thacker), whose former riding was Lethbridge—Foothills. That used to be the name of his riding. I have not quite mastered all the names of the new ridings.

I think he puts the government case very well. I do not agree with the government case for this particular

legislation. However, as I listened to the Hon. Member from Lethbridge he started out by giving us an interpretation of Canadian history which is fundamentally flawed. He said that the way we built this country was only through individual enterprise, through the exercise of private property and entrepreneurs taking risks—the whole Conservative mythology about how Canada came into being.

The fact of the matter is that that is not how the country came into being at all. If one wants to be an advocate of that particular view of private property, and how economic activity is generated, and how particular countries have been built, then that is fine. However, do not distort Canadian history in order to make the case. The fact of the matter is that the country developed as a result of a very creative mix of both public money and political vision and private property and private investment, the CPR being an example thereof, as well as Canadian institutions, Crown corporations and other things we have come to see as part and parcel of the fabric of the country, like the Canadian Wheat Board for example. These do not conform to the Tory mythology about how Canada was built.

They are making a serious error when they get up and try to lead us to believe that that is how the country came into being. They may want to take the country in a particular direction—that is fine. It is their right to argue for that direction. It is the right of the Government to bring in legislation which takes us in that direction. However, please do not pretend that this is perfectly in keeping with Canadian history because Canadian history is something else all together.

Our argument on this side is that the public sector, whether it be in the form of Crown corporations or in the form of research done by universities and government Departments, have played a vital role in making us the kind of country that we are today. Many of the victories that we have won in the agricultural sector, whether it is the more recent one concerning canola or whether it is other former victories with respect to the development of various kinds of wheat, are things that happened because there was a public commitment to this kind of research and because the results of that research were made widely available. All this happened without the desire for profit that the Hon. Member from Lethbridge says is so absolutely indispensable to anything good happening.

The fact of the matter is that societies can do good, productive and creative things without being motivated purely by money. I know that goes against the Conservative view of the world. The fact is that many good things have happened in this country without that kind of motivation. What we are saying is that we would like to preserve the mix of public and private, of things still being done for the good of the country or for the good of agriculture, or as the case may be.

The Member from Lethbridge says that we do not want to enter the modern world, that the NDP wants to keep the country back from modernity. If the kind of modernity that the Conservatives want us to enter into is a world in which everything is motivated only by the desire for profit, in which everything is regulated by the market-place, then, yes, that is the kind of world that we do not want to enter into and that we do not want our country to enter into. Unfortunately, that is the way of the world. The Member from Lethbridge is right about that. The question is whether or not in Canada we are going to acquiesce to these global trends, whether we are going to have what I would call an accomodationist stance toward these global trends, or whether we are going to, in concert with other countries, resist these global trends.

It may be difficult to do this. It is going to be particularly difficult for us to do this after the Free Trade Agreement because the Free Trade Agreement for many of us is the symbol of Canada giving up on that tension between public and private, giving up on a mixed economy, giving up on what has made Canada a particularly successful country.

I think members of the Government should remember that the kind of country that we have is not the kind of country that has been created only by individual enterprise. It is the kind of country that has been created by this creative mix of the public and private sector. What they have done through their actions in the Free Trade Agreement and through this action, and through many other acts that they have taken and some that they still plan to take, has broken that tension. From here on in it is the market-place alone. If that is the kind of brave new world that the Government wants to lead us into,

then we make no apologies for resisting that brave new world.

What is that new world all about? It is about control. It is about who is going to make the decisions that determine the very nature, in this case of plant life, on the planet. I cannot for the life of me understand why Conservatives who are very concerned about government control, who are very concerned about unaccountable power, want to turn over to a handful of global corporations the power to determine the whole botanical life of the planet. On what possible grounds would people who are concerned about excessive control by anyone want to do that?

Yet that is what the Government is asking us to do in this particular instance. It wants to worsen a situation that is already with us. That is the fact of these large global corporations, which as far as I am concerned are analogous to the biblical powers and principalities. These are the institutions which in a very short time will control everything, if there is not a will on the part of Governments to defend the public interest, whether that is the environmental public interest, or, in this case, the genetic public interest in terms of preserving various kinds of species or plant species in the Third World or elsewhere. We have this very tragic trend in absolutely the wrong direction.

It is all part and parcel of the globalization of the economy. With that globalization has come increasing concentration of power. These are the people who want to talk about competition all the time. However, their policies lead to more and more concentration of unaccountable power, global corporations which are accountable to no one, which have assets in many cases bigger than any nation state in the world, corporations which can play one country off against the other, one province in a country off against the other, one state off against another. This is called free enterprise. This is called freedom. This is not freedom. This is the newest and most diabolical form of tyranny that one can imagine, that this kind of power should be in private hands and should be beyond the reach of Governments and that the only occasion on which Governments become involved is to facilitate this kind of control, which is exactly what this Government is doing tonight by bringing in this legislation.

• (2350)

I think it is unfortunate that the Government will get away with this. It has been a long battle. One of the first speeches I made in the House of Commons in the fall of 1979 was on this particular issue, when the Conservative Government of the day tried to bring it in. We have seen since then how the Government has succeeded in doing this with respect to drug patent laws. Now it is doing it with respect to seeds for plant breeders' rights. I heard the Hon. Member from St. Albert, I believe, say that public investment will continue. We heard that during the debate about the drug patent laws.

Mrs. Sparrow: And it is. Admit it.

Mr. Blaikie: Not public investment. One of the first things that happened after the drug patent law was passed is that Connaught Laboratories, which used to be a publicly owned corporation and something of which Canada was proud because of its good research, was sold to an American company. That really helped a lot. That was part and parcel of the vision of Canada the Conservatives say they will preserve.

Mrs. Sparrow: You don't like success.

Mr. Blaikie: The Member from Calgary says that I do not like success. I do not call having all the new kinds of plant life in the world owned by a handful of corporations success. She and I have a different view of what success amounts to. I don't think success is something that can be measured in terms of the quarterly or annual profit margins of a variety of different multinational companies.

I do not believe it is success to carry vertical integration to its extreme so that there would be what I call bio–integration, the same multinational corporation owning everything, beginning with the seed put in the ground. It will be bred to use that company's herbicides, to respond only to its fertilizers—

Some Hon. Members: Oh, oh!

Mr. Fisher: It's happening.

Mr. Blaikie: All the way from the furrow in which the seed is placed to the kitchen table owned by the same multinational corporation. If the Member from Calgary calls that success, then I reject that success. I call it tyranny. It is turning over our lives to a handful of unseen people in a boardroom who make decisions about the whole country while we sit here and have to listen to people like her call it success. It is disgusting. That is not success, it is failure of the worst possible kind.

It is failure to imagine a world in which people can do things co-operatively, through the public sector, and do things as part and parcel of a vision of what the country should be rather than how institutions can make money in the country or the world by developing a monopoly on new kinds of seeds, drugs or whatever the case may be.

We managed to be very successful in many respects with the Government involvement. The Government was involved, along with universities in the development of canola. Is the Member saying that was a failure?

The Member for Calgary Southwest (Mrs. Sparrow) is so psychologically damaged by the National Energy Program—

Mrs. Sparrow: You are right.

Mr. Blaikie: —that she cannot imagine anything good happening in the public sector. In the name of that paranoid reaction to the National Energy Program, the whole damn country is to be destroyed in order to satisfy Tories from Alberta who developed an aversion to the public sector in the early 1980s. For that, the whole country has to go down the drain. It is disgusting.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

CSIS—APPOINTMENT OF SPECIAL COMMITTEE

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, there have been discussions among the Parties. I think you will find unanimous consent from me to put the following motion immediately, and for it to be voted on without debate. I move:

That, pursuant to Section 56 of the Canadian Security Intelligence Services Act and Section 7 of the Security Offences Act,

That, a special committee of the House of Commons be appointed to be the committee to undertake a comprehensive review of the provisions and operation of the Canadian Security Intelligence Service Act with a committee empowered to meet after July 16, 1989, and with the committee to report no later than July 16, 1990; and

That, the committee have all the powers of a Standing Committee and;

That, the membership of the said special committee to be as follows;

Mr. Thacker, (chairman), and Messrs, Brewin, Horner, Lee, Littlechild, Nunziata, Tremblay (Lotbinière), Tetreault.

The Acting Speaker (Mr. Paproski): Does the Hon. Government House Leader have the unanimous consent of the House to move the motion?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

GOVERNMENT ORDERS

[*English*]

PLANT BREEDERS' RIGHTS ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-15, an Act respecting plant breeder's rights, be read the second time and referred to a legislative committee.

Mr. Milliken: Mr. Speaker, I wanted to rise on a point of order while the Government House Leader is still here. He has introduced a closure motion tonight and has sought to limit debate on the Bill before us. I know that there are a great number of Members who would still like to address the House on this matter. Would the Government House Leader be prepared to seek unanimous consent of the House to extend the sitting beyond one o'clock so that Members who wish to speak could have an opportunity to do so?

Mr. Lewis: Mr. Speaker, when I saw my learned friend speaking on plant breeders' rights, I knew it was time to call closure.

Some Hon. Members: Oh, oh!

Mr. Riis: Mr. Speaker, I simply want to put on the record clearly that there are 43 Members of the New Democratic Party in the House of Commons, and all 43 Members wish to speak at this stage.

The Acting Speaker (Mr. Paproski): The Hon. Member for Regina—Lumsden (Mr. Benjamin) has the floor.

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, I was particularly anxious when I had the floor that the Hon. Member for Oxford (Mr. Halliday), the Hon. Member for Fraser Valley East (Mr. Belsher) and the Hon. Member for Lethbridge—Foothills (Mr. Thatcher) were here because I wanted to ask them a couple of questions about this Bill.

However, I am glad to see there are a couple of Hon. Members here who proclaim that they are Christians, who believe in a philosophy that they are their brother's keeper, who believe in the parable of the good Samaritan. They believe in the teachings of Christ.

I have not been known in my 21 years here to make speeches regarding religion. However, I want to submit to you tonight, after listening to all these Christians, bible thumpers, some of them born again, who support this legislation that it seems to me they have more than given hypocrisy a good name.

I find it difficult to question and really do not want to question the sincerity of the beliefs of my hon. friends and colleagues in the House, but with this legislation they do no more than increase man's exploitation of man. I do not give a tinker's damn how many other countries have gone this route of royalties on food.

• (2400)

I don't give a tinker's damn how many are socialist, capitalist, communist, or whatever. By the way, there are only 17 out of 160 nations in the world which would go along with this. There are a lot of Conservatives, a lot of so-called Liberals in the Canadian context, and even a few who claim to be NDP. I do not care what those other countries are doing. This is another case in which this country could set an example for the rest of the world, particularly our fellow men and women in the underdeveloped and poorer nations of this world who will pay dearly, not to mention how much our own food producers will pay.

We in the NDP recognize that there is nothing intrinsically wrong with making a reasonable profit.

Some Hon. Members: Hear, hear!

Mr. Benjamin: Where were you in 1937? That is what the CCF said. You couldn't have been a day over 60 then.

There is a difference, Mr. Speaker, between a reasonable profit and sheer, crass exploitation of people.

The reason I mentioned the Hon. Members for Oxford, Fraser Valley East, and Lethbridge Foothills is that I have received letters from them over the last number of years inviting me to prayer breakfasts. Don't any of you Tories ever invite me again to a prayer breakfast. Don't any of you do your praying in the morning at a breakfast and then pass legislation that flies in the face of the things that you pray for. The nerve. How dare you? It is bad enough to be a hypocrite but to flaunt it in the law of the land is a low not even reached by the Liberals, and they were the ones who started all this.

My new hon. friend from Thunder Bay—Nipigon was not here when the Liberals tried to put this through, and oh did they work at it. You should have heard those Christians on the other side. Some of the faces I see now, which look just as ugly as mine, were here then; some were not.

The Hon. Member for Lethbridge—Foothills had the unmitigated gall to mention Marquis wheat tonight. Who perfected Marquis wheat which saved wheat producers not only in Canada but in many other countries of the world for decades? It was Dr. Saunders.

Either listen or leave. I am trying to talk about the contribution of our country and the development of food production for the last 125 years.

Dr. Saunders developed Marquis wheat. Where did he develop it? It wasn't at the Kraft food company, it wasn't at Libby's, and it wasn't at any other corporation. It was at the Experimental Farms in Ottawa and Saskatoon, public operations. Dr. Saunders never asked for and never collected a royalty, neither did the Government of Canada or the Government of Saskatchewan.

The latest developments in canola came out of the Government experimental station in Saskatoon and the University of Saskatoon. That plant development is now

available to everyone and no one is worried about royalties.

Surely if you claim to be a Christian, Mr. Speaker, you will believe that this is a public domain, that it belongs to all the people. God Almighty, why would you want to exploit the people in need, whether they are our own farmers, the farmers of other countries or, most important, the people in the nations of the world who starve? Why in God's name would you want to make it more costly for them to eat?

I would have expected that my hon. friend from Winnipeg—Transcona, a clergyman, might have made remarks I have made. I do not belong to any churches, but I think I am a Christian. I try hard to be a Christian and it is not easy. It is hard to watch others who claim to be Christians bring forward this kind of legislation which would go along with other countries that have made the same mistake. Surely that is less than this Parliament of Canada is worth.

I want to remind the House that all the major developments in the development of better food and better food production in this country and most other countries has never been done by private corporations. Invariably, even indirectly in the great U.S. of A., it has been done with public funding.

I would like to make a couple of alternative suggestions, Mr. Speaker. First, if the Government wants to pass a Bill, would it at least be Christian enough to amend it so that the Government of Canada collects all the royalties in this country and then passes on to the inventors only the cost of their invention including a decent living?

• (0010)

Another alternative would be to say to all the world that we will take the moneys from royalties and put them in a world-wide pool which would make available the latest developments in nutritious and healthful food.

For the last 20 years, the developments in rapeseed and canola occurred the University of Saskatchewan. What about our universities and our experimental farms? They get the royalties. What for? It would be for further experimentation.

Why should some damn corporation get it? We do not pass those costs on to farmers and to hungry people anywhere in the world. You just do not do that. If you claim to be a Christian you would not bring forth this Bill. I never meant anything more seriously in my life than what I am saying to now. I do not know how you could do such an unconscionable thing. Why?

I will not use the NDP moral statement about multinational corporations. Why would you want to minimize the opportunity of people to grow a lot of good food? Why would you want to limit it to only a few? Somebody from the Government should rise and tell me why they would want to do that. Whether it is an individual farmer in the Himalayan Mountains, somebody in Saskatchewan or New Brunswick or wherever, why minimize their ability to produce food unless they pay a certain number of dollars to buy the seed to produce that food? Would someone please explain why? Why in God's name would you want to do that?

It is not a question of what the hell do you think you are doing. It is a question of you better think about what the hell it is you are doing.

We had this argument with the previous Government. There were members from the Conservative Party who got up and said much of what I am saying. Why not say that this Bill shall stand at second reading and that the subject matter be referred to a Standing Committee on Agriculture or Science and Technology? I do not care; it could be looked into some more. I think that is the least we can do. I have avoided getting into all the great depths of the technology involved in plant breeding.

My final word is that I listened to a scientist the other night indicate that legislation includes genetic experimentation including human life. I thought he went a little bit far. He told us about various and sundry genes which as an ordinary prairie boy I did not understand completely. He told us how we could take certain genes and use them in terms of adjusting human existence. Once one gets into something like plant breeders' rights, I don't give a damn about a patent on a widget or a refrigerator. However, when you get into something like this, for goodness sake, think about it some more. You can't do this.

I am sorry, Mr. Speaker, for being somewhat emotional about this. It is not often I do that. I get angry, but tonight on this Bill, I am heartsick.

I close by saying to the three gentlemen from whom I get frequent letters and any other Member of this House who invites me to a prayer breakfast, claiming to be a Christian, claiming to support the teachings of Christ "Don't ever send me another invitation".

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, in this House we always have activists, lobbyists, and other interested Parties who are constantly asking politicians to pass legislation. Often this legislation has to do with changes in technology such as this Bill before us today.

However, this is not a Bill that is tinkering with an established procedure. This is not a Bill that is ironing out a new wrinkle in an existing process. We are, on this Bill, breaking completely new ground. We are embarking on a new course.

Biotechnology is fundamentally different from any other aspect, any other Bill that this House has introduced before. This is a new technology. This is a technology that is codifying the development of new variety of species of plants.

Biotechnology, generally, deals not only with plants but certainly the development and improvements of animal species. In fact they present to us an opportunity for a better society. There are some very good benefits with respect to biotechnology. A better aspect of biotechnology is that of profits. This is an area of research and development that promises to provide those who are making the development massive profits. In fact, it has been said that it is going to be like a new unit of power.

We used to have, at one time, the gold standard. Now we will have the gene standard. Why do we want to move in such a direction? The answer is patently obvious. We want to move in that direction because we want to solve real problems that exist in society in this country and elsewhere in the world today. We want to prepare and develop a better world. We want to develop an easier life. Those are very laudable goals. Those are things that we all strive for. We must be careful in solving the problem that we do not create new and different problems, ones that are actually worse than the problems we are attempting to solve. My caucus and I have a concern with this particular Bill. The Government is endorsing a process and is setting out on a path that it does not comprehend. It does not realize what kind of road it is sending this country down.

• (0020)

Biotechnology offers us a means to solve many agricultural problems. It offers to solve production problems for farmers to provide better varieties of grain that will grow in shorter periods of time and avoid frost. It will provide better yields, allow producers to utilize new and other varieties that otherwise would not have been able to be used. It perhaps will provide the consumer with safer, cheaper and possibly healthier products. At the same time this technology threatens not to aid producers but make producers a slave to this new technology.

We are dealing here with plant life. This is the thin edge of the wedge of biotechnology. We welcome biotechnology if those who control and steer the direction of this instrument do so with the benefit of mankind in mind. This Bill dealing with plants only asks and presents some very fundamental questions. Who is controlling this new technology, the massed propagation of plants, plant tissue culture, the monocolonal antibodies and cell fusion?

Is it going to be the Ph.Ds that are working in universities, those who we expect are going to control that? That is not going to be the case. It is going to be a handful of large companies, so-called agri-business which are going to control, develop and monopolize this area, not only plant breeders' rights but later animal breeders' rights. We are just on the threshold of this massive technology which Canadians should not only look forward to but look forward to with some caution.

This has been the subject of much discussion and much debate. There have been numerous conferences held on biotechnology. Certainly one of the most well known was the 1987 Dag Hammarskjold seminar on the socio-economic impact of new biotechnologies on basic health in agriculture.

Let me state one of its conclusions. The greatest threat in the new biosciences is that life will become the monopoly property of a few giant companies. In the key countries the products and processes of biotechnology either are or are becoming patentable beyond the wildest dreams of the industrial barons of the past. The whole gene revolution is on the verge of becoming private

property. Of all technologies this life derived technology must remain in the hands of the people.

This is a conclusion of a conference of scientists from around the world, scientists including people from Canada. In fact, the Government would have received a report from this conference. This Government has chosen to ignore these experts and individuals who devote their lives to science. This Bill codifies what the Hammarskjold seminar feared most.

We should be looking at plant breeders' rights and biotechnology, but we should be very careful about how that development proceeds. The Government has ignored that conference, those conclusions of world experts as it has ignored other experts in the world. If the goal of science is to serve humanity, then let science serve humanity.

Many countries are dealing with this problem. Members opposite spoke of this much earlier. They spoke of numerous countries, including the United States which has a tremendous influence and effect on Canada. The United States not only allows plant breeders' rights but also plant patents, plant cell culture, and engineered organisms.

The Americans have taken a step ahead of us. The United States considers a lack of patent protection to be an unfair trading practice. That was brought up at the GATT negotiations. Canada has been under pressure from the United States about the subject. The United States has demanded that Canada adopt similar laws to the United States for pharmaceuticals and plant varieties. You can see in the recent past that this Government caved in to U.S. demands on pharmaceuticals.

We had a nation that for 20 years had some of the cheapest drugs in the world. This benefited Canadians, but Canada passed a law providing protection for drug corporations.

Mr. Soetens: And it created all kinds of jobs.

Mr. Laporte: The Government promised that this type of legislation would create research and development and hundreds of jobs.

Mr. Soetens: Thousands.

Mr. Laporte: These jobs simply have not materialized.

Mr. Soetens: Come up to Ontario and I will point them out to you.

Mr. Laporte: The Government is now caving in to the pressure of the United States Government on plant breeders' rights. Mark my words, this is the beginning. Certainly there will be pressure from the United States to have treaties not just for plant breeders' rights but for animal breeders' rights. That would be the next stage. Perhaps legislation will be introduced next year or in the next session.

We want to improve the quality of life and have a better community, but this Bill does not provide the protection needed to guarantee the decent quality of life Canadians deserve and have come to expect.

Canadians attended the Hammarskjold seminar. Reports were presented to the Government which indicated that plant breeders' rights promised to increase production and reduce costs, but the conclusions of experts, not politicians, of people who work in that field and devote their life to it, said that that was not likely to be the case. They concluded that it will aggravate genetic erosion and likely to increase the dependence of farmers. It will further concentrate the power of transnational agri-business. In other words, there will be a concentration of power into fewer and fewer hands at the ultimate expense of producers.

There is more. Certainly plants go into producing a large number of drugs that are utilized in the pharmaceutical business today.

• (0030)

That is why it is not uncommon to have a company which is involved not only in pharmaceutical drugs or chemicals but also in seed production. This Bill simply allows them to further concentrate that monopoly which they are developing.

In health, Mr. Speaker, the drug companies will say that they will provide more effective diagnostic tools and new ways to prevent disease. The Hammarskjold Conference concluded differently. These experts and these people who devoted their lives to this type of work—and not politicians—have concluded that the pharmaceutical industry more likely will focus upon the most profitable opportunities and divert attention from basic health requirements. In other words, the bottom line. These are experts who have reported to government and who have lobbied governments. There is one tragic flaw and one tragic problem that these experts do not have. They do not have a lot of money. They do not have the power that the dollar bill brings when we are talking to people like Cargill and Shell Oil and other companies, like the Eli Lilly Company. Those are the companies to which this

Government listens. Those are the groups on which this Government focuses its attention. That is who it listens and responds to, as opposed to experts and people in the field who are devoting their lives to this problem. That is what is wrong with this Bill.

Members opposite tonight with respect to plant breeders' rights, were saying that this will be a benefit to farmers and producers. It is already happening in other countries where plant breeders' rights has been established. Seed corporations who have patented their particular seed and who have the protection—and in this case it is going to be 18 years—are lobbying governments to say that farmers should not have the right to retain seed.

It is expected that in certain countries there will be the introduction of laws to demand that if farmers retain seed they should pay a royalty to the companies. Is that benefiting farmers? Is that a government which is doing what it can for the small producer? Is that a government which is devoted to maintaining agriculture and a rural structure? I do not think so. That is a government that is passing legislation that is simply going to concentrate the wealth of this nation into fewer and fewer hands. That is the difficulty that I have with this Bill.

The idea is fine, but it needs massive amendments. This is a government which is setting a dangerous and potentially destructive course for this country. The potential profits in this area are mind-boggling. There are millions and millions and millions of dollars to be made in this area. The potential benefits are there as well.

However, when a small group of corporations have a monopoly, they dictate what sort of production will be happening in the rural areas of this country. Contrary to Members' saying, "don't worry, don't worry", if this Bill is allowed to pass unamended, unchanged, it is going to be destructive to the family farms in this country. It is going to be destructive to rural Canada.

Members opposite talked before about when the Drug Patent Act was passed there would be jobs created in research and development, but they have not materialized in this country. They are not going to materialize under plant breeders' rights either.

These companies are in the business of making a profit. We cannot blame a company for being in the business of making a profit. Its shareholders appoint directors to work each year to make the company a profit. If those directors do not make that company a profit, those directors should be fired. That is how the system works and it is fair. There is nothing wrong with making a profit.

This Government should not be passing legislation which is simply giving the agri-business corporations of this world a licence to print money which is going to put a lot of dollars in their pockets and going to show a lot of increased revenue for those corporations. It is going to simply spell one more expense. It is going to mean one more expense for family farmers and one more in which they are being controlled. This is a government which talks about free enterprise. This is not free enterprise. When this materializes down the road, these corporations will have a say in what people plant, when they plant it and how they should plant it. That is the problem with this Bill.

These corporations are not trying to develop a plant which is resistant to various insects and other problems which exist in fields and in crops. Rather than developing a pest resistant variety, they are focusing on gene transfer for pesticide resistance because that is where the money is. If they can develop a crop variety and show that it produces well and convince producers to buy it, they will do that.

What will happen is that as varieties disappear, as they inevitably will, then producers will be forced to follow the tune that these agri-business companies maintain. That is the conclusion of the conference. That is the conclusion of experts who are concerned with this area.

This is a Bill which is only at second reading, thank goodness. I certainly hope that in committee we can effect some changes to the Bill and come back to this House with some recommendations so that it provides some protection for the producers of this land that does not give everything to agri-business and does not cave in to agri-business.

I and my colleagues will be working very hard to see that this Bill is either defeated, or if not defeated, that it is presented to this House in a fashion which reflects and represents and is responsive to the needs of average

Canadians and not agri-business. It is my hope that that will be the ultimate result of this Bill. The objective is the same, to provide a better lifestyle, a better world for all of us. This Bill is not a Bill for Canadians, it is a Bill for agri-business.

Mr. Murray Cardiff (Parliamentary Secretary to Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, it is with pleasure that I rise to speak to Bill C-15 at this late time and at the last event and speech that we will be giving in the House of Commons as we wrap up for the summer session.

We will have the opportunity of going home and seeing the wonderful plants that are growing which have been the fruits and work of many of our plant breeders.

We have heard many arguments against Bill C-15 over the course of second reading debate. Some have suggested that plant breeders' rights will destroy world gene resources or adversely affect less developed countries, or lead to the patenting of human life. Bill C-15 does not do these things, and during the course of debate, my hon. colleagues in the Opposition have at times forgotten what plant breeders' rights are all about.

• (0040)

Bill C-15 is about joining with 18 of our most significant trading partners in signing the international convention for the protection of plant varieties. Bill C-15 is about ensuring a place in the world for Canadian varieties so that Canadian efforts can be rewarded abroad. Bill C-15 is about allowing farmers and horticulturalists to import exciting new foreign varieties which are unobtainable until we have our own plant breeders' rights legislation.

Bill C-15 is about offering private breeders incentive to undertake this important work despite its risks and its expense. Bill C-15 is about ensuring that Canadian farmers have access to the best possible varieties, whether they be foreign, private or public. In short, Bill C-15 is about benefiting Canadian agriculture which in turn benefits all of us. When agriculture is prosperous, Canada is prosperous and everyone does well.

Let me begin with the suggestion that this is patent legislation. In fact, it is quite obvious that this is not patent legislation, nor will it lead to any. If it were, we would be debating an amendment to the Patent Act. Instead, we are discussing plant breeders' rights legislation.

Because the Government recognizes that this is a sensitive and complicated issue, we have chosen to deal with it separately. In such a manner, we believe we can best protect the interests of breeders, farmers and the country as a whole.

Equally, this Bill in no way authorizes anyone to patent human life forms. It merely allows plant breeders an opportunity to be rewarded for their hard work, and 18 years has been designated as the period of protection for a variety under Bill C-15.

There are a number of reasons for the choice of 18 years. Generally, out of one million initial crosses, plant breeders find only four potential varieties. These will take 10 to 15 years to develop at a cost of $3 million to $5 million. Out of this work will arise varieties which often last only a few years before they are superseded by other new plants.

It is essential that the really outstanding varieties help to pay the costs of plant breeding programs. There are varieties which have lasted well beyond the 18-year period. For example, Thatcher spring wheat was registered in 1935, Selkirk wheat in 1953, a red clover called Alataswede in 1923 and Climax, a timothy variety in 1947. Those of us in the agricultural industry know the value of Climax, one of the best timothys that has ever been developed in this great country. I think that says something for the early plant breeding programs and for the dedication of plant breeders many years ago who did not have the technology and tools to work with we have today in developing varieties.

After the 18 years, these successful varieties would, of course, become public, but if breeders are not given time to recoup their investment, seed prices would necessarily go up. Currently, in other countries with PBR, royalty rates are approximately 6 per cent to 8 per cent, but the length of protection is essential to maintaining this low level.

The Hon. Member from Regina said that he accepted the principle of royalties. A Member of the NDP said that, though he did not say how the royalties should be paid.

My colleague, the Hon. Member for Algoma (Mr. Foster), has suggested that the period be reduced to seven years. Not only would this tend to have an inflationary effect upon prices but it would do nothing to improve our external situation.

We have indicated our intention to join the 18-member international convention so that we might enjoy the benefits of reciprocity with these major trading partners. Lowering our period of protection in this way would no longer meet the requirements of the convention and we could not ratify the agreement. We would remain incapable of securing foreign imports or of protecting our varieties abroad.

The absence of variety protection can also have a detrimental effect on the industry by artificially restricting and extending attempts to control seed. Contractual arrangements are currently made between growers and some seed companies in an attempt to ensure some return on their product. Members of the House of Commons who are farmers know that to grow a variety of seed that they know by name, they have to sign a contract to obtain that seed and they have to agree to return it back to that supplier because there is a lack of patent protection for the variety. To me, that makes a mockery of the system and is not fair to farmers because it restricts good seeds to certain individuals and puts us in an uncompetitive position.

This creates a great deal of paperwork and complicates matters for the grower and the company alike. The agreements have no cut-off. This Bill C-15 offers. Nor does the current situation allow the Government to intervene in the national interest. As well, foreign countries do not recognize this contractual agreement as a parallel system and will not enter into reciprocal agreements.

We need plant breeders' rights. I am very happy to see this legislation read the second time tonight and go to a legislative committee for deliberations. This issue has been debated for many years. Finally, it will provide great assistance to the agricultural producers in Canada in competing on the world market.

The Government has been far-sighted enough to ensure that some means exist by which we can maintain the system in an equitable manner. Clauses 32 and 33 provide for a compulsory license which could be granted in the event of unnecessarily high royalty rates or unfair distribution. This system is in place in many UPOV nations but its use has rarely been necessary.

The enforcement of this Act will not be applied to our grandmothers who wish to trade plant slips. The Hon. Member for Skeena (Mr. Fulton) referred to the clauses in the plant breeders' rights Bill relating to penalties for offences. He implied that the penalties applied to people giving away seeds of protected varieties, and this is not so. The offences in Bill C-15 relate to such issues as false representation and abuse of trust. They do not relate to the selling of protected varieties. If someone sells another person's protected variety, it is a civil and not a criminal offence.

Mr. Fulton: Mr. Speaker, I rise on a point of order. I suggest that the Hon. Member who just misquoted me read Clause 6 of the Bill and Clause 51, the offence clause. He just misquoted the legislation his Government has brought in. I think that is quite improper and quite misleading to those viewing these proceedings.

The Acting Speaker (Mr. Paproski): That is debate. The Hon. Parliamentary Secretary has the floor.

Mr. Cardiff: Mr. Speaker, I simply want to say again that if someone sells another person's protected variety, it is a civil, not a criminal offence. It would be up to the owner of the rights to enforce his or her own rights, and that is quite clear in the legislation.

Mr. Fulton: Mr. Speaker, I rise on a point of order. I know what the Hon. Member just said. What he said was false. It is improper for a Member of the House to impute false statements to another Member.

The Acting Speaker (Mr. Paproski): The Hon. Parliamentary Secretary has the floor.

Mr. Cardiff: Mr. Speaker, to make compulsory automatic licensing as effective as possible, we have chosen the route of maximum flexibility. By selecting an advisory committee and implementing specifics by species with regulations, we have allowed for a system which will take the nuances of this vast nation into account. With this method, the unique situation of maritime potatoes will be handled in a manner different from that of Red Spring wheat or that of a new breed of red roses, or of any roses.

• (0050)

It has been suggested that those provisions are not enough, that multinationals will take over and gain a strangle-hold on our farmers. At this time, seed development and marketing in Canada is largely in public or small private hands. Large multinationals do not at this time play a significant role in the industry. The ongoing global process of mergers and diversification in all

sectors may have an impact upon the industry, but this is not anticipated to be a direct result of plant breeders' rights legislation. There have also been suggestions that the chemical companies associated with those multinationals would try to breed varieties which are dependent upon specific pesticides and fertilizers.

Before I was elected to Parliament, I was the chairman of a marketing board in the Province of Ontario marketing white beans. In 1977 there were extreme weather difficulties in the same manner as we had a drought last year. In 1977, particularly in Ontario, there was a strain of enthracnals that was new and came into our white beans along with the wet weather. Our plant breeders responded very rapidly. We said that we were going to use chemicals to control the disease. However, within three years, our plant breeders worked together and chemicals were used for a very short time until a variety was bred with resistance to that strain of Delta enthracnals.

I know that we have dedicated public breeding programs in this country. I want to acknowledge the fine work that they do, and the effort that is being made to breed varieties with resistance to the many diseases that are there to rust and smut.

Mr. Milliken: How is this Bill going to help?

Mr. Cardiff: This Bill will help do all those things, because it will allow the plant breeder to recoup and put more dollars back into the development of the breeding resources, and resistance is as important as new varieties. Many times, it means taking present varieties and assuring their continued viability by breeding in resistance to the various sectors.

I do not know if the Hon. Member lives on a farm or is familiar with the growing of beans, barley, corn, or any of those products. I invite the Member to come to my farm and look at the crops that we grow. I would be very happy to have the Member come to western Ontario some time and look at some great crops in that area.

Mr. Milliken: I would be delighted to do so, and I will make a speech when I am there.

Mr. Cardiff: I invite the Hon. Member to come when we are baling hay.

Mr. Nunziata: Is that where you learned to shovel it?

An Hon. Member: You fork it, you don't shovel it. We have to teach these guys everything.

Mr. Cardiff: It has been suggested that those provisions are not enough, that multinationals will take over. I do not agree with that. The ongoing global process of mergers and diversification in all sectors may have an impact on the industry, but this is not anticipated to be a direct result of plant breeders' rights legislation. I want to reinforce that point, as much as I can.

The task of plant breeding is so complicated that it is highly unlikely a plant could be bred for a specific chemical. That is not what the interests of our plant breeding programs are, and have not been, and will not be.

In the event that this did occur, the variety would still require registration under the Seeds Act to verify its merits and suitability before it could be sold. There is a process of licensing before that could ever happen. There would also be competition in the market-place from other private breeders and public-sector programs that would be producing varieties without such limitations.

Ultimately, the decisions must rest with farmers. Those decisions should stay with the farmers, because they provide the bread-basket of this great nation of ours. Many of them came as immigrants, and perhaps for some people it may be a long time ago, but when one looks at world history, the farmers are pioneers. Many were our grandfathers or our great-grandfathers. I believe that the farmers have responded to the needs of this country, helped it grow, and will continue to make it grow if we give them the room to do so.

Some Hon. Members: Hear, hear!

Mr. Cardiff: Farmers will not buy a product which requires high input unless the benefits are sufficient to support the initial investment. Farmers are good shoppers and good buyers. They have always had choices and they will continue to have choices, because the farmers will demand that that choice be there. I have lived on a farm all of my life, worked with farmers, and I know how they feel.

At one time I represented all the white bean farmers in the Province of Ontario, and I do know how they feel about plant breeders' legislation.

White beans are like little white pearls. They are the greatest product one could ever get hold of. They are an exportable product. In 1972, 20 per cent of our white beans were exported. By the year 1980, 80 per cent of our beans were exported at no sacrifice to human consumption. This happened because we were leaders and because we had varieties acceptable throughout the world. It is one thing to grow beans, but quite another to have varieties that are acceptable with good cooking qualities and storing qualities.

We must never forget that farmers are intelligent customers. Farmers are businessmen. Farmers have to carefully consider factors such as input yield, and ratios. They look at all those things when they look at what varieties they are going to choose from. They do have many varieties to choose from. Let us never underestimate farmers, because they do make intelligent decisions.

As a result, farm organizations are supporting this Bill in large numbers. Groups such as the Western Canadian Wheat Growers, the Canadian Grains Council, Canadian Nursery Trades Association, United Grain Growers, Canadian Seed Growers Association, Canadian Ornamental Plant Foundation, and one close to my heart, the Ontario Bean Producers Marketing Board, to name only a few are supporting this Bill.

When my hon. friend is helping with the hay, we will give him a good feed of beans.

Mr. Milliken: Beans are good for the heart.

Mr. Cardiff: All those people feel that this Bill will benefit agriculture and benefit Canada. The Hon. Member for Northumberland (Mrs. Stewart) has suggested that this is not enough, that we must benefit the Third World as well. Like all Hon. Members, I too wish that there were easy solutions for the social and economic problems facing the developing world. Even if all Members of the House devoted all their time and energies to the issue, we could not solve all the problems. Why should we expect Bill C–15 to solve all those problems? Plant breeders' rights are designed to address issues in our country and in our dealings with our major trading partners.

Mr. Milliken: It's a kowtow to the U.S.

Mr. Cardiff: While we are doing that, it strengthens the viability of our farms and our agriculture industry in this country. Who could argue against strengthening the opportunities for agriculture? In fact, the difference between our northern climate and the tropics prohibits effective seed trade with the Third World. Even if a distribution system were in place, and the equipment was there, places such as Uganda and Malaysia would still not become major markets.

However, our Government is concerned about their food resources, and to ensure that varieties are developed for their countries, we offer them our fiscal and technical support. CIDA contributed $18,250,000 in 1988 to 17 different research institutes specializing in developing agriculture. That is a lot of money. There are also a significant number of bilateral agreements which offer technical advice or specific services between our country and less developed ones. The International Development Research Council has also funded seed projects worth almost $3 million in 1988.

The Acting Speaker (Mr. Paproski): In accordance with the provisions of Standing Order 57, it is my duty at this time—

Mr. MacWilliam: Point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): There is no point of order. It is one o'clock.

In accordance with the provisions of Standing Order 57, at this time it is my duty to interrupt the proceedings and put forthwith all questions necessary to dispose of the second reading stage of the Bill now before the House.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the yeas have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Call in the Members:

The House divided on the motion (Mr. Mazankowski) which was agreed to on the following division:

• (0110)

(Division No. 58)

YEAS

Members

Anderson
Atkinson
Beatty
Bernier
Bjornson
Blenkarn
Bourgault
Brightwell
Campbell (Vancouver Centre)
Casey
Champagne (Champlain)
Clark (Yellowhead)
Clifford
Collins
Cooper
Corbett
Couture
Darling
de Cotret
Desjardins
Dobbie
Dorin
Edwards
Fee
Ferland
Friesen
Gibeau
Greene
Guilbault
Halliday
Hawkes
Hockin
Holtmann
Horning
Hughes
Jelinek
Kempling
Landry
Larrivée
Leblanc (Longueuil)
Littlechild
MacDonald (Rosedale)
Malone
Mayer
McCreath
McDougall (St. Paul's)
McLean
Monteith
Nowlan
O'Kurley
Plourde
Pronovost
Reid
Ricard
Robitaille
St-Julien
Scott (Hamilton—Wentworth)
Siddon
Soetens
Stevenson
Tétreault
Thompson
Tremblay (Rosemont)
Tremblay (Lotbinière)
Andre
Attewell
Belsher
Bertrand
Blackburn (Jonquière)
Bosley
Boyer
Cadieux
Cardiff
Chadwick
Charest
Clark (Brandon—Souris)
Cole
Cook
Corbeil
Côté
Crosby (Halifax West)
DeBlois
Della Noce
Dick
Domm
Duplessis
Epp
Feltham
Fontaine
Gérin
Gray (Bonaventure—Îles-de-la-Madeleine)
Grey (Beaver River)
Gustafson
Harvey (Chicoutimi)
Hicks
Hogue
Horner
Hudon
James
Johnson
Koury
Langlois
Layton
Lewis
Loiselle
MacDougall (Timiskaming)
Martin (Lincoln)
Mazankowski
McDermid
McKnight
Merrithew
Moore
Oberle
Plamondon
Porter
Redway
Reimer
Richardson
Roy-Arcelin
Schneider
Shields
Sobeski
Sparrow
Tardif
Thacker
Thorkelson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Valcourt
Vankoughnet
Vézina
Vincent
Wilson (Swift Current—Maple Creek—Assiniboia)
Winegard
Van de Walle
Venne
Vien
Wilbee
Worthy—139

NAYS

Members

Allmand
Anawak
Assad
Baker
Bélair
Benjamin
Blaikie
Brewin
Caccia
Clancy
Copps
Dionne
Finestone
Flis
Fulton
Gaffney
Gauthier
Guarnieri
Harvey (Edmonton East)
Hopkins
Hunter
Karpoff
Kilger (Stormont—Dundas)
Langan (Mission—Coquitlam)
Lee
MacDonald (Dartmouth)
Manley
Martin (Lasalle—Émard)
McGuire
Mifflin
Mitchell
Nystrom
Parker
Phinney
Proud
Rideout
Samson
Speller
Stupich
Tobin
Wood
Young (Beaches—Woodbine)—83
Althouse
Angus
Axworthy (Saskatoon—Clark's Crossing)
Barrett
Bellemare
Blackburn (Brant)
Blondin
Broadbent
Catterall
Comuzzi
Crawford
Ferguson
Fisher
Foster
Funk
Gardiner
Gray (Windsor West)
Harb
Heap
Hovdebo
Jordan
Keyes
Kristiansen
Laporte
MacAulay
MacWilliam
Marleau
McCurdy
McLaughlin
Milliken
Nunziata
Pagtakhan
Peterson
Pickard
Prud'homme
Rompkey
Skelly (North Island—Powell River)
Stewart
Taylor
Vanclief
Young (Gloucester)

• (0120)

The Acting Speaker (Mr. Paproski): I declare the motion carried.

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

Mr. Brian White (Dauphin—Swan River): Mr. Speaker, I would like it noted that I was in the Chamber at 1.30 a.m., but because I have been appointed Chairman of the legislative committee on Bill C-15 I abstained from the vote on second reading.

The Acting Speaker (Mr. Paproski): Before adjourning, I think it would only be right to give the Pages some last applause for a job well done.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): It being 1.33 a.m., pursuant to order made earlier this day, this House stands adjourned until Monday, September 25, 1989, at 11 a.m. pursuant to Standing Order 24(1).

The House adjourned at 1.33 a.m.

APPENDIX

ADDRESS

OF

Mr. Chaim Herzog

President of the State of Israel

to

Both Houses of Parliament

in the

HOUSE OF COMMONS CHAMBER, OTTAWA

on

Tuesday, June 27, 1989

APPENDIX

ADDRESS
of
Mr. Chaim Herzog
President of the State of Israel
to
Both Houses of Parliament
in the
HOUSE OF COMMONS CHAMBER, OTTAWA
on
Tuesday, June 27, 1989

[*Translation*]

The President was welcomed by the Right Honourable Brian Mulroney, Prime Minister of Canada and thanked by the Honourable Guy Charbonneau, Speaker of the Senate and the Honourable John A. Fraser, Speaker of the House of Commons.

Mr. Speaker: The Right Honourable the Prime Minister.

Some Hon. Members: Hear, hear!

[*English*]

Right Hon. Brian Mulroney (Prime Minister): Mr. President, that was the kind of warm welcome that I receive every day in the House of Commons.

[*Translation*]

Members of the Senate, of the House of Commons, distinguished guests, dear friends.

[*English*]

We are gathered here today to mark the first address to the Parliament of Canada by the Head of State or the Head of the Government of Israel.

We mark as well the first state visit to Canada by a President of Israel.

On behalf of all Canadians, Mr. President, I tell you simply: welcome, you are among friends.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Your ties to our country predate the foundation of the State of Israel.

You were a brother-in-arms to thousands of our fellow citizens who, in history's darkest hour, risked—and, in all too many cases, sacrificed—their lives to defeat the Nazi terror.

The British unit in which you served, from the beaches of Normandy until V-E Day, was attached to the First Canadian Army.

The wreath you will be laying this afternoon at our National War Memorial is therefore an especially moving expression of our personal and national solidarity. Canadians remember that threat to our freedom. And we will never forget the diabolical attempt to exterminate the Jewish people.

The Holocaust is burnt indelibly into our souls, as it must live on in the minds of our youngest children—and then, theirs—so that it can never be forgotten.

You pursued your destiny, Mr. President, in an era that brought about the birth and consolidation of the State of Israel.

[*Translation*]

Canada played a part in that process by participating in the United Nations Commission that proposed the partition of Palestine, by voting for Israel's membership in the UN and by contributing to the Middle East peacekeeping forces in the hope of stabilizing the region and of bringing peace to your country.

Most of all, in the daring and difficult period of Israel's infancy, when your nation needed friends—true friends—Canada was there. Canada was there over 40 years ago and our friendship and support remain with you today.

[*English*]

The bonds between Israel and Canada are numerous and deep.

Like Canada, Israel is a land of immigrants which has become a home to a host of courageous spirits from around the world. Canada owes a great deal to the contribution of its Jewish community, whose members have distinguished themselves in an outstanding manner.

I can tell you, Mr. President, that there is hardly a dimension of our national life—from the arts, research, to medicine, the humanities, commerce, politics, to labour, and the law—that has not been improved and enriched because of the dynamic presence of a large and impressive Jewish community in Canada.

Jewish immigrants have laboured and sacrificed and have dreamt great dreams for their children—and on this continent so far away, their fondest hopes of freedom and tolerance, of fairness and opportunity have come true. May I tell you, Mr. President, on behalf of all Canadians, that Canada is an incomparably better nation because of their presence.

Canadians understand the aspirations that have shaped Israeli society from its origins. Canada and Israel share a fundamental commitment to liberty, through respect for individual rights and responsibilities. Common human values and democratic principles lie at the root of everything that unites us.

In all the world, there are few Parliaments as open, as democratic, and as fractious as the Knesset—although this House of Commons comes dangerously close on occasion. Too often for my liking, Mr. President. To listen to the raucous debates in the Israeli Parliament is to hear the pure and persuasive sounds of freedom.

And in all the world, there are few parallels to match the astonishing feat of Israel coming alive, of deserts being made to bloom, of a nation being bound together, in the shadow of hostility and in the agony of war.

The values on which Israel was founded, and which have been tempered in the fire of her national experience, have never been tested more than at this moment. Canadians are deeply concerned because of their friendship for Israel and because of their profound conviction that human rights must be respected.

Indeed, Mr. President, as you so eloquently stated, some three years ago, and I quote:

> Israel must be the absolute denial of the theories of discrimination and racism, the loss of human dignity and the negation of man's honour.

The death of a child—Israeli or Palestinian—is an overwhelming human tragedy. Forbearance and restraint—even in the face of intense provocation—are the hallmarks of a strong and a confident nation. Canadians who understand and sympathize with Israel urge nonetheless moderation and reasonableness, in the belief that ultimately such a policy will bring about an equally responsible attitude on the other side.

The name of Israel resounds in human history with the promise of liberation. Mr. President, I can tell you on behalf of all Canadians that you can be assured of Canada's unswerving commitment to the security of Israel and to its status as a legitimate and independent state.

[*Translation*]

Canada is more anxious than ever to help create in your region a peace based on the security, well-being and legitimate rights of the people of Israel and her Arab neighbours.

[*English*]

Since the UN Security Council passed Resolution 242 in 1967, Canada has been working in the Middle East to promote a peace based on territorial accommodation, so that in exchange for occupied territories, Israel's legitimate rights will be recognized by its neighbours.

[*Translation*]

We have continually insisted that the Palestinians and the Arab countries recognize, unequivocally, Israel's right to exist. We have been encouraged by events in recent months which demonstrates this essential pre-condition is being met.

Our conviction is that recognition and respect for Israel's rights is the essential counterpart for the Palestinians realizing their own legitimate rights, including the right to participate fully in the determination of their own destiny and the future of the West Bank and the Gaza Strip.

We are pleased by the growing acceptance of this principle throughout your region. In this respect, we consider it significant that the Israeli Government has

proposed holding elections in which the Palestinian people would be able to make their views known clearly, elections that could be a step on the way to breaking the cycle of violence and leading to a just and durable peace.

[*English*]

The creation of the State of Israel is one of the epochal events of this century. For Canadians, Israel is not simply a place on the map. Israel is a tribute to the deep spiritual beliefs and the unfailing personal courage of a remarkable people.

Israel is a monument to the indomitable spirit of man.

Chers amis, colleagues, it is with great pride that I present to you the President of Israel whom I now invite to address the Parliament and the people of Canada.

Some Hon. Members: Hear, hear!

His Excellency Chaim Herzog (President of Israel): Mr. Prime Minister, Mr. Speaker of the Senate, Mr. Speaker of the House of Commons, Honourable Senators and Members of the House of Commons, Distinguished Members of the Diplomatic Corps, Ladies and Gentlemen.

I thank you, Mr. Prime Minister, for your very kind personal remarks about me. As I heard you, I recalled the comment of the late President Lyndon Johnson on a similar occasion. He said: "My father would have been pleased. My mother would have believed it."

You, Mr. Prime Minister, have been a tried and trusted friend of our people and of our country over the years. As a statesman of world stature and as the Leader of this great country, you are highly respected in our country as elsewhere, and I look forward to your comments and observations on the current situation with great interest.

It is my privilege to reiterate publicly our invitation to you to come to our area and to honour us with your presence in Israel.

[*Translation*]

You understand how moving it is for the President of Israel, a people with thousands of years of history and a young democracy reborn, after centuries of struggle and prayer, to have the privilege today to address your illustrious assembly, which is witness to the most exciting aspect of the Free World.

I am very touched on this first presidential state visit in the annals of Israel–Canada relations by the honour these two Houses have granted my people, with all it means in terms of dreams, accomplishments and hopes.

[*English*]

As a fellow democracy, we are proud of the fact that despite five wars, despite the defence and economic burden which it has borne since its inception, Israel has never compromised on the issue of its basic values. Like you, we have never known one minute without democracy. Our democracy faces the most involved challenges—a constant state of readiness, long military and reserve service, and the complex problems arising out of the refusal of our neighbours to enter into negotiations for peace with us, and to understand that we do have the right to live in the area and in our country.

Too often are our problems viewed facilely out of the context of all that is happening around us in the Middle East. In this decade the longest war in this century has been waged in the Persian Gulf—a brutal bloody war motivated by fanatic religious fundamentalism on the one hand, and the ambitions of a megalomaniac dictatorship on the other hand. Tens of thousands of prisoners were shot on both sides out of hand. An unconventional weapon, poison gas, was introduced, and the world stood by in mute helplessness. The number of those killed and wounded was in the millions.

How blind were the so-called experts in analysing the developments in our area. The obsessive fixation with every stone-throwing incident in the West Bank led to a situation whereby the real ominous developments in the Middle East and the real threats to Western interests were overlooked by most observers. Thus again and again the Western World was taken by surprise when the real focus of danger erupted. How can we forget how the free world was taken by surprise by the Soviet invasion of Afghanistan, by the Khomeini revolution in Iran, by the outbreak of the Iran–Iraq war?

It is against this background that we must view the sole bastion of democracy in our region—Israel. A glance at the map of the Middle East must surely emphasize the vital significance for the security of the free world of this

solid island of stability, loyalty and friendship to the West.

We see as our major challenge the achievement of peace between us and our Arab neighbours, including the Palestinians. In our Declaration of Independence we held out our hand to our Arab neighbours in a quest for peace. It was rejected, and instead the armies of seven Arab states combined with the Palestinian Arabs in an effort to destroy the embryonic Jewish State before its birth and to drive us into the sea. We fought back desperately without adequate arms, outnumbered, outgunned, and embargoed by most of the countries of the free world. Thanks to our sacrifice of 1 per cent of our population killed and the leadership of Ben Gurion, we managed to survive.

From the moment of its birth Israel stretched out its hand in an offer of peace, but it was rejected. The Palestinians continued along the road of tragedy.

For 19 years, from 1948 to 1967, the West Bank was occupied by Jordan and the Gaza Strip was occupied by Egypt. But the Palestinians were not granted independence, nor was a State established, because then as today the last thing the Arab countries wanted, their protestations to the contrary notwithstanding, was a Palestinian State.

Ten days after the conclusion of the Six-Day War in 1967 the Israeli Cabinet offered to return to Egypt the Sinai Desert and to Syria the Golan Heights in return for demilitarization and peace. The Government prepared for negotiations with King Hussein. The Arab reply to this approach was the Khartoum Summit Conference with its three noes—no to negotiations with Israel, no to recognition of Israel, and no to peace with Israel.

In 1977 the program for full autonomy for the Palestinians proposed by the then Prime Minister Menachem Begin was rejected out of hand. Had this proposal been accepted then, we might by now have been well on the road to a permanent settlement.

We are irrevocably committed to the inexorable process moving toward peace in the Middle East. I am convinced that we will achieve it. For I only have to look back to 12 years ago today when most of Israel's borders were hermetically sealed and there was no passage of people or trade across them. Who would have dreamt then that today the Israeli flag would fly over an Israeli Embassy in Egypt and an Egyptian flag over an Egyptian Embassy in Israel? Who would have dreamt that 10 years after the signing of the Israel-Egypt Peace Treaty, Egypt would be accepted back into the Arab League while remaining loyal to its commitments to Israel and would, indeed, rightly reassume its position as leader of the Arab world?

Who would have dreamt that this year some 120,000 Israeli tourists would be thronging Egyptian resorts and tourist sites, and that joint Israel-Egypt agricultural projects would be taking place in the Nile Delta and in the Negev in Israel?

Who would have dreamt that over a million people would be crossing annually over the bridges of the River Jordan in both directions, and that daily hundreds of trucks would be carrying produce and exports in both directions? And who would have dreamt that thousands of Israeli Muslims would be making their way to and fro in performance of the Holy Pilgrimage to Mecca?

We have reach a new crossroads. We are experiencing a period of unrest in Judea, Samaria, and Gaza. We deeply regret the bloodshed on both sides as we strive to maintain law and order. We have had to overcome repeated onslaughts in the past, and I have no doubt that we will overcome the present wave of violence which in our eyes poses a threat to the basis of our society and to the peaceful coexistence between Jews and Arabs in the land of Israel. We dare not underestimate the feelings expressed in the unrest, nor should we sanguinely expect it simply to fade away. Irrational and self-destroying persistence has tragically marked previous Arab attacks on Israel. Hatred and violence have led only to bereavement and disaster without solving any problems. Understanding has come too late in every case.

There is no desire in Israel to rule over another people and to direct its life. Let us however not forget that this issue is the subject of a major political debate in Israel. Israel has to face fateful decisions, and I am only too aware of the agonizing reappraisals taking place today both in our free society, and among the Palestinians who live with us in Israel and in the territories.

It is easy to discuss our problems at a distance, to pass judgment, to make speeches, to write articles, and to offer solutions. It is, to say the least, less easy for those who together with their children will have to bear the consequences should they err. Remember, what for others is a matter of foreign policy, is for us a matter of existence. In the current outbreak of civil unrest in Judea, Samaria, and Gaza, the choice facing us is unfortunately not between law and order on the one hand, and negotiations on the other hand. The choice is between maintaining law and order as a basis for bilateral negotiations, or allowing the situation to deteriorate

into a new edition of Beirut or Teheran. That is the cruel choice which faces us today.

There is criticism at times of Israel's handling of the maintenance of law and order, and nowhere more pointedly than in Israel, in the Knesset or in the media. However, I have yet to see other countries facing similar situations without the use of force. What more effective methods should we use? Those used by our neighbours including, for instance, the killing of 30,000 people in the Syrian town of Hama by President Assad, or the killing of 500 demonstrators in two days in Algeria last summer? Or should we adopt the methods using during the riots in the inner cities of Britain, or in Northern Ireland, or in the streets of Western Europe, or those that were used once in Watts or Detroit or Kent State?

What other armed forces in the world than ours would exercise more restraint in coping with a society that cynically and cruelly sends its children to carry out acts of violence endangering life on both societies? Remember, a mother burnt alive together with her three children in a civilian bus are no less tragically dead because the perpetrators who threw the molotov cocktail were youngsters. A society's strength is tested by its ability to face crises. I believe that given all the difficulties and with all our shortcomings our society has shown as much maturity and humanity as any other society in similar circumstances. As Golda Meir once said she cannot forgive the Arabs not so much because they kill our children but because they force our children to kill theirs.

Looking around us, how can we ignore the thunderous silence of the world as the city of Beirut has been, and is being, pounded mercilessly by Syrian artillery day in day out, night in night out, as the Christian refugees trying in small boats to reach ferries offshore to take them to safety in Cyprus, are shelled indiscriminately, as the Lebanese nation is slowly destroyed, as the Christian community of Lebanon largely ignored by the rest of the Christian world, is slowly being decimated and is in dire danger for its very existence? How can we ignore the apathy of the world in the face of this cruel destruction of a nation? Surely the lesson for us must be obvious.

Already 25,000 refugees from Beirut—Christians and Muslims—have crowded into the security zone adjacent to our northern border, instinctively coming to Israel for protection and security.

My friends, all of this is going on at the moment, and has aroused little reaction in the civilized world. In the cruel, distorted, prejudiced coverage by the media of events in the Middle East, the slaughter in Beirut does not warrant the coverage given to children throwing stones in some West Bank village.

We are a free society facing a dilemma. Is it not understandable that Israeli society is torn by doubts and hesitations, and that there is no small degree of scepticism coupled with a legitimate debate in our society on the PLO's real intentions?

In the past few months, the Government of Israel formulated a plan for the movement forward in the peace process in the Middle East. The plan consists of four parts:

1) Reaffirming the Camp David Agreement;

2) A call for the Arab countries to join in the peace process and recognize Israel;

3) That an international effort be mounted to solve the festering problem of the Arab refugees in Gaza and Judea;

4) Elections in the Judea and Samaria Districts of the West Bank and in Gaza, whereby the Palestinian Arabs residents of these areas will elect in secret ballot their own representatives. These representatives will be thereby empowered to enter into negotiations with Israel in order to establish self-rule for the Palestinians in the West Bank and Gaza.

Under this self-rule, which is envisaged for a five-year period, the Palestinian Arabs in the territories will rule themselves and will be responsible for everything but foreign affairs and defence.

After a period of three years, negotiations will open with the Palestinians who have been elected, in order to achieve a final settlement.

Unfortunately the situation on the Arab side is not at all clear. Their protestations to the contrary, a large proportion of the Palestinians living in the territories administered by us would accept the Government of Israel's proposal. But since the official PLO line so far has been to set out conditions which in effect negate the spirit and the essence of the Israeli proposals, no Palestinian in the Judea and Samaria district of the West Bank and Gaza will dare risk being lynched or a bullet in

his head in order to express his views and support the proposal. In the course of the current year some 50 per cent of all the Palestinian casualties have been inflicted by Palestinians. In the past few months, some 50 Palestinians suspected of views different to those of the PLO have been cruelly and summarily executed. When a Palestinian mayor suggested a truce for Christmas, he was publicly threatened by Arafat that he would end up with 10 bullets in his chest.

What is more, the recent Arab Summit Conference in Casablanca reaffirmed the negative position adopted by the PLO. The PLO policy from a practical point of view, from our point of view, must be irrelevant as long as they are not prepared officially to amend the Palestine Covenant which calls for the destruction of Israel.

We are by now immune to the double-talk which characterizes many of the statements issued by the PLO, each statement adapted to the audience to which it is delivered, immediately to be followed by another statement issued to another audience saying just the opposite.

Thus, Arafat publicly forswore the use of terror. However, acts of terror continue unabated. How can we tamely acquiesce in his declaration that the burning of a Jewish family on an outing in a car is a "military operation" and not an act of terror. The fact is that he does not in effect control his organization. Indeed, in addition to the break-away Abu Mussa group in Syria, components of the PLO such as Talaat Yakub, Habash's Popular Front, Khawatma, Gibril, refuse to go along with him. What validity can one give to the statements made by an individual who obviously does not control constituents of the organization which he purports to lead and represent?

I emphasize, again, that the people of Israel want nothing more than peace. I know of no way to achieve peace without negotiation with the other side. One day a great man arose in the Middle East and came forward, the late President Anwar Sadat, made his demands to the Knesset, entered into negotiations, and today buses leave Jerusalem and Tel-Aviv daily for Cairo and vice versa.

Yes, we are moving inexorably toward peace and that is the major goal of our people, reflecting as it does the prayers of millions who cannot express themselves freely in our area, torn by fundamentalist religious fanaticism. That peace will be achieved because we want it and because the people of the Middle East want it and need it.

In the meantime, as we pursue our struggle in the ongoing search for peace, we continue to develop as a free vibrant society, which stretches out its hand seeking co-operation with all.

In a period of 41 years we have created an open, democratic society in Israel in which the dignity of man is enshrined as a supreme value. We have a free and independent judiciary, a democratically elected Parliament, a free press, and a system of universal education. We have created a highly developed system of agriculture, and an industry which is capable of producing some of the more sophisticated high technology and bio-technological engineering, supersonic planes, and some of the better medical scanning equipment existing today in the world. Israeli-manufactured items are in space ships, and in more advanced planes produced in the United States. We are one of the three more advanced countries in the world—the other two are the United States and Japan—in the development and use of solar energy. We are among the leaders in the world in the field of irrigation, desalination of sea water, and cloud seeding. We are one of eight countries of the world which has been represented in space by its own satellite.

We know our shortcomings, we know our failings, but as a free, vibrant, multi-ethnic society, we are conscious of a continuous effort to overcome them. No society is without its weaknesses, but every society must be judged by the freedom of its population to deal with these inadequacies, by the consciousness of its people of its duty to moral imperatives, and by its willingness to accept the vote of the majority in support of the Rule of Law and of the dignity of man which must be the supreme value in any modern society. Because, as Thomas Jefferson pointed out, "nothing is unchangeable but the inherent and inalienable right of man". By this

criterion we, a small country beset by problems from within and without, constantly maligned in the Community of Nations, are proud of our record in forging a free, open, democratic society.

[*Translation*]

Mr. Speaker, on behalf of the people of Israel, I salute Canada for the major role your country has played over the years for human freedom, for values that are dear to us and are the foundation of your society as they are of ours. We know Canada's remarkable contribution, both on this continent and in all countries of the world, and the growing importance of Canada's voice in international bodies. Relations between Canada and Israel, which are growing all the time, are of course based on common interests, but also above all on deep affinities.

For a country like ours, you are an example and a source of inspiration. You have opened the doors of freedom to immigrants from countless countries. You are an outstanding model of coexistence between individuals of different cultures and backgrounds who live here in a climate of mutual tolerance and respect for their original identity.

[*English*]

You have been endowed with the great gifts of nature and have demonstrated how to be worthy of the blessings of Providence by a national concern for a healthy environment which you preserve with fervour and devotion.

In the words of the Sour Dough:

> There's a land where the mountains are nameless,
> And the rivers all run God knows where—

He goes on:

> Wild and wide are my borders, stern as death is my sway,
> From my ruthless throne I have ruled alone for a million years and a day;
> Hugging my mighty treasure, waiting for man to come;

Yes, you came and you have succeeded in meeting the challenge of nature and in harnessing it in the cause of the march of progress, science, technology and agriculture for the benefit of mankind.

Your society is distinguished by a special emphasis on aesthetic beauty, cultural advance, and cultural innovativeness in literature, on the stage, on the screen, and in the arts. We share with you immense pride in the impressive Jewish contribution to your cultural and national life.

I thank you, Mr. Prime Minister, Mr. Speaker of the Senate, Mr. Speaker of the House of Commons, and the distinguished Members of both Houses, again for your most kind welcome. I trust and pray that my visit will serve to strengthen the relations between our two peoples sharing our common values in the ongoing struggle for peace and the advance of man.

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Guy Charbonneau (Speaker of the Senate): Mr. President, Mrs. Herzog, it is a pleasure to welcome you in our midst and to listen to a Head of State who has had a remarkable career as a soldier, lawyer, businessman, author and politician and who, incidentally, served during the Second World War with British troops under the First Canadian Army, at the Battle of Reichswald.

[*English*]

Your explanation of the situation in the occupied territories and of the policy of the Israeli Government is very timely. Canada has been actively involved in the search for a just and lasting peace in the Middle East since the era of Lester Pearson.

As recently as 1985, Canada responded favourably to an Israeli–Egyptian request that she participate in the peacekeeping force in the Sinai area returned to Egypt in 1982 under the Camp David Accord, thus ending a decade-long refusal to participate in peacekeeping operations not sponsored by the United Nations.

The Canadian encouragement of efforts toward peace in the Middle East has thus been constant down through the years, as has been the commitment to the right of Israel to exist within secure and recognized boundaries.

Your participation in this exchange of views between parliamentarians does us great honour, Mr. President. It is all the more significant in that, to our eyes, your personality matches that of your country. Neither you nor the State of Israel can be squeezed into any of the usual categories.

Both you and your country seem to be under the signs of paradox and contrast. Israel never ceases to accomplish natural miracles, a contradiction in terms that makes perfect sense when applied to Israel. This familiarity with paradox has led your countrymen to excel at

anticipating the unexpected and preparing intelligently for it.

In your distinguished career, Mr. President, there are also paradoxical elements. Who could have guessed that Catholic Ireland would give birth, in you, to a future President of the Promised Land? On the outbreak of the Second World War, although you were committed to ending the British mandate in Palestine, you did not hesitate to join the British Army. Although a labour stalwart, you were re-elected in 1988 as your country's Head of State by a Parliament in which the right predominated.

Israel has consistently chosen its Presidents from among politicians distinguished for their intellectual activity. After hearing your address today, here in a place where opposing ideas and positions are debated every day, we can see why your parliamentary colleagues once again entrusted you with this high office.

Some Hon. Members: Hear, hear!

Mr. Charbonneau: Well aware of the opposing currents that flow freely in your parliamentary democracy, the Knesset wanted to raise, over those currents, an ironclad guarantee that the society where such diversity of opinion can flourish will be preserved.

[*Translation*]

Mr. President, your presence here today testifies to the close relationship that exists between the governments, parliaments and peoples of our two countries. These ties should be seen, by you yourself and the people of Israel, as a guarantee of our understanding and our desire to see peace and harmony reign once more in this troubled area of the Middle East.

[*English*]

On behalf of the Senate of Canada, I thank you for sharing your thoughts with us, Mr. President.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Speaker: Mr. President, colleagues of the House of Commons and the Senate, and distinguished guests: on behalf of all Members of the House of Commons, I wish to thank you for your presence here today, and for coming to visit our country.

I had the great privilege of visiting your country on three occasions, the last being in January 1987, at which time you and I, Mr. President, had a chance to speak privately about your country's problems and our concerns with respect to those problems.

[*English*]

I think that in this House of Commons it should be remarked that democracy is a constant and open debate on the great issues which confront us. This, I suppose, is accepted by Canadians, because we have created here in our country, at least, one of the most open and free democracies that exists anywhere in the world.

Some Hon. Members: Hear, hear!

Mr. Fraser: That does not mean that there will not be discord and division, but it does mean this: that on the most difficult issues that face us there will be strong and vivid debate. Mr. President, the House of Commons is not a tea party. It is an adversarial forum and, Sir, you will understand that there is no monolithic view in our country about issues whether they are domestic or beyond our shores.

But we in Canada are deeply committed to a concept of free discussion. You are here, Sir, because you represent a sister democracy which has steadfastly maintained the principle which owes its origins back in the mists of our British heritage, that it is better to debate openly our concerns than to repress them by secrecy, or censorship, or indifference.

Some Hon. Members: Hear, hear!

Mr. Fraser: Your country, sir, which from its inception has had to maintain its democratic traditions through some terrible and difficult events, is an example to the rest of the free world.

We are not unaware of the anguish you are presently experiencing. But we are conscious of the fact that your Parliament, your Knesset, debates these issues, that your press is free, that those who support or criticize are free to speak their minds, and that the press is free to report their views. Mr. President, that cannot be said for many parts of the world.

There are here in Canada many people who care very much for your country, and who also pray and hope that with skill, intelligence, decency and compassion, you will

be able to resolve the extraordinary challenges that face you.

[*Translation*]

Mr. President, it is our wish and our earnest hope that peace will come to Israel and its neighbours. I hope that following your visit to this country you and your fellow citizens will realize that Canadians nurture a loyal and constant friendship for Israel and also that they are very much concerned about the safety and well-being of your country.

[*English*]

We have long insisted that Israel's existence must be maintained and must be secured. We are not, because after all we are not living in a dream world, unaware of the situation of others who aspire to dignity and self-respect.

We have done things in Canada that were not believed to be possible. We have created a nation of peoples from everywhere in the world, including our native peoples. We have not been perfect, and the ideal we are following is far from being perfected, but we have come this far by patience, and some competence, but, basically, Sir, as a consequence of the deep regard for the rights of individuals and their traditions.

This approach, however imperfect, has created with all our faults one of the best countries in the world. It is nonsense to say that Canadians are dull. I am tired of such shallow mutterings. If we are dull, I do not know what I have to do every day in Question Period. But, Mr. President, we have always tried to move to a moderate position. Moderation and a very deep respect for each other has created and I believe will maintain our country.

We say to you, Sir, that perhaps our almost instinctive sense of moderation within a framework of a viable democracy may give you and your colleagues some sense of hope as you face challenges that are more difficult than ours. Mr. President, we are your friends, and because we care for you and your children, our wish, and our expectation, is that you will resolve your difficulties with wisdom, generosity, and compassion.

[*Translation*]

Many, many thanks, Mr. President for your visit and your friendship! *Shalom*!

HOUSE OF COMMONS

Thursday, June 29, 1989

The House met at 1.50 p.m.

Prayers

[*English*]

POINT OF ORDER

HOUSE PROCEDURE

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I rise again on a point of order that is the same as a point of order I rose on some months ago. When the House adjourned for the summer, if my memory serves me correctly, Mr. Speaker, the Deputy Chairman of the Committee of the Whole said that the House now stands adjourned until September 25 at eleven o'clock. At no time did the Speaker say to the House that pursuant to an order made earlier, we would be subject to be recalled, to remind us of that. The order of the House, for your perusal, Mr. Speaker, was made on June 27, 1989. It is very clear that we are here today pursuant to that order.

In order to avoid me rising again on the same point of order, I propose, as I proposed once before, that we look into this so that in the future, when the House adjourns, some comment is made. No other comment was made. I am not going to say whether or not what we do today is legal, but I am getting close to saying that.

We were supposed to come back here September 25. Just prior to saying goodbye until September 25, we should have been reminded that there is an order of the House requiring that we may be recalled to give Royal Assent to certain Bills. That is my interpretation, but I am sure Your Honour may wish to take that under advisement. I am in Your Honour's hands. I do not need an answer today.

It troubles me because we are called here today for a full meeting. The Speaker reads the prayers for the sole purpose of waiting here to be called to go to the Senate. I consider this to be a full meeting of the House. My proposal would be that in the future, the House suspend its activity until we are called back to give Royal Assent to certain Bills and it is understood that the House will then be adjourned without any other business taking place until September 25 or whenever the case may be.

That is the point I wanted to bring to your attention, Your Honour, so that in the future or today, you might comment, but I do not need an answer on that today, so that we can deal with that once and for all.

[*Translation*]

Mr. Gauthier: Mr. Speaker, it is certainly not my intention to debate the matter with the Hon. Member for Saint-Denis (Mr. Prud'homme). He is a far more experienced Member of this House than I am. However, I think there is a distinction to be made between suspending the business of the House and adjournment, and he made that point in his comments. I think suspending the business of the House would require the Speaker's chair to be occupied almost constantly, during the time the business of the House is suspended. If the House is adjourned, that is not necessary. So this is an option we have, and I imagine the parliamentary House leaders have thought about this, and I think that of the two, namely adjournment versus suspending the business of the House, adjournment is more convenient and more realistic than asking the House to suspend its business until the Senate has finished considering its bills. It is not my intention to criticize the Hon. Member but if the Chair has any comments on the subject, I think what is at issue is the difference between adjournment and suspending the business of the House.

[*English*]

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, when the people elected me, they elected me to take my parliamentary responsibilities very seriously, which I do, and that is why I am here, to help the House of Commons give Royal Assent to Bills we debated until one o'clock in the morning. However, we are setting a very dangerous precedent here.

There is a debate going on in this Chamber. I do not ever recall in my time a debate going on in this House without simultaneous translation. The proceedings are going on in two official languages but we are not operating in two official languages.

I am looking for my earpiece in the desk, I am looking for an earpiece in the desk next. This is the first time since I came to this Chamber that proceedings are going on without them being available in two official languages. I think we are setting a very, very dangerous precedent.

I am also very disappointed that the Government which controls the agenda, and it is up to the Government to see that there is a quorum to walk over to the other House to get Royal Assent, has so few Members present. If we on our side walked out, they would not even have a quorum to get Royal Assent.

Ms. Mary Clancy (Halifax): Mr. Speaker, I rise on a point of order. With reference to the point of order raised by my colleague from Parkdale—High Park while I too was astounded that the earphones were not here, I know that this had to be an oversight on the part of whoever happens to be responsible, because of course, never would anything like this take place deliberately. I would also like to say that I personally did not have a problem as the Hon. Member for Ottawa—Vanier (Mr. Gauthier) has such clear diction that the problem was non existent.

Mr. Prud'homme: Mr. Speaker, I spoke in English, as is often the case in my case, and some object to that, but I choose that language first. I would hate to ruin the beautiful atmosphere of the summer for the staff. I do notice that the translation that we do not have. I appreciate my colleague from Toronto having reminded us that he could not listen to my words of wisdom in French, and I thank him for that. I would hope that the staff would not take that as being their mistake. Of course, the translation is available. I can see the translators through the window. However, it is the mechanics that we do not have on our desks.

I would not like this point to be mixed in with the point I raised earlier. I would like to thank my hon. colleague from Ottawa—Vanier and that is why I prefer your Honour rule on my point some day or send it to the appropriate committee to look into it. I could make a long speech on the words of the Hon. Member for Ottawa-Vanier (Mr. Gauthier), but I will not do it today, as long as I have the assurance of Your Honour that this will be looked into because Your Honour knows that it is not the first time I have raised this point.

[*Translation*]

That being said, I want to wish all Canadians the very best for Canada Day, in the other official language, since I notice that our translation problem has now been solved. Thank you.

• (1400)

[*English*]

Hon. David MacDonald (Rosedale): Mr. Speaker, I would like to speak briefly on this point of order. First, it is a delight to see many of my colleagues on both sides of the House, even on the day before Canada Day.

The tradition of being called together for Royal Assent after a summer adjournment is not something new. In fact, the Member for Saint-Denis (Mr. Prud'homme), who started here even before I did, and several other Members, including the Member for Ottawa—Vanier (Mr. Gauthier) and the Member from Toronto, were all members of a Government which on a regular basis, after we had completed our regular business, called Members back briefly for what is really a formality on the part of the House of Commons, that is going to meet our colleagues in the Senate and to observe Royal Assent.

I think it would be a mistake to turn this into a major public debate. I know that there are other colleagues from both sides of the House who are otherwise occupied in meetings. I am sure they would be more than happy to participate in the completion of this public business by being present for Royal Assent.

However, I think that what the Member for Saint-Denis has raised is in fact not a different tradition. We are in fact observing one of the oldest traditions in Parliament with which Members on all sides are all familiar. If the language used by the Deputy Chairman of Committees in adjourning the House at an early hour on Wednesday morning was not exactly correct, I think the sense was clearly understood by Members on all sides.

Mr. Prud'homme: Mr. Speaker, I object. I do not want to debate, but I certainly object to what the Hon. Member for Rosedale (Mr. MacDonald) has just said. For Marcel Prud'homme, Member of Parliament for

Saint-Denis, Royal Assent is not just a formality, far from it.

Second, I have always claimed that for the House to sit we should be 20 Members. Mr. Speaker said the prayers so I consider that a full meeting of the House even though it is for the purpose of only one thing. For the House to sit, there should be 20 Members. There may be 20 and on the eve of Canada Day, in the British parliamentary system, I see 20. However, there are not 20.

I regret that the Hon. Member has said that Royal Assent is just a formality. According to my learning of the British parliamentary tradition, Royal Assent is not only a formality. Yes, some day we may say: "Who cares about Royal Assent?" However, if we start on this road there will eventually be Members who say: "Who cares about the Speaker's Parade?" And then eventually they will say: "Why does the Clerk dress like a Christian brother?" And then perhaps you, Mr. Speaker, should start wearing a wig.

We have tradition. I have made no secret of my great respect for tradition. If people want to change tradition, I have a long series of proposals. However, I like the traditions of the British parliamentary system and I believe we should enhance them.

I see one of my most esteemed colleagues and I am sure he will allow me to put his name on the record to show that he is here. He is the Member for Parry Sound—Muskoka (Mr. Darling), my good friend. I see his nice smile and he is such a polite gentleman. He approves of what I say.

Therefore, I will give the floor back to you, Mr. Speaker. Some day we will not have to go through this kind of debate. Again, I extend to the Hon. Member for Rosedale my most sincere wishes for a happy Canada Day.

Mr. John Brewin (Victoria): Mr. Speaker, I would like to make just a brief comment. I listened with interest, as a new Member, to all of this. I just happened to be passing by. The only point I would like to make is that if we can do this after one day's rest, imagine what we will be able to do by the twenty-fifth of September.

The second point I would like to make is a slightly more serious one. A point has been made and there are many Members who are not here who may have some strong views on the issue raised by the Member for Saint-Denis (Mr. Prud'homme). I hope that you will invite other Members of the House to make submissions to you, Mr. Speaker, before you pass judgment on the important issue which the Hon. Member has put to you.

[*Translation*]

Mr. Ouellet: Mr. Speaker, I have just been informed that visitors from Montreal who were supposed to meet the Hon. Member for Saint-Denis (Mr. Prud'homme) and listen to his performance in the House were denied entry to the House of Commons. I wonder why the doors of the galleries are shut and why these distinguished visitors were not allowed to admire their excellent Member of Parliament from the visitor's gallery. I think the point raised by the Hon. Member deserves to be considered, and I certainly think the public should have the right to visit the House.

[*English*]

Mr. Prud'homme: Your Honour, I hate to abuse your kindness. I thank very much my esteemed colleague and friend, the Member for Papineau—Saint-Michel (Mr. Ouellet). I was totally unaware of what he was going to add. The people who are visiting Ottawa did not know that I was going to speak. I did not know myself. When I heard the bell I knew it was my duty to attend in the House. The Hon. Member's comment must be taken in the atmosphere of Canada Day. I had nothing to do with his comments, although I appreciate them. It is true that the galleries are closed.

[*Translation*]

Mr. Speaker: A very short point of order. The Hon. Member for Kingston and the Islands (Mr. Milliken).

Mr. Milliken: Mr. Speaker, on a point of order.

[*English*]

The Hon. Member for Leeds—Grenville (Mr. Jordan) and the Hon. Member for Haldimand—Norfolk (Mr. Speller) have asked me to indicate their interest in this subject as well. I think that what we are witnessing here is further evidence of the contempt of Parliament on the part of the Government to which I referred in my speech the other night. I agree with what the Hon. Member for Saint-Denis (Mr. Prud'homme) has said. In light of what is going on outside I think it would be appropriate to

defer any further comment until after we have returned from the other place.

Mr. Speaker: Perhaps I can respond briefly. I first want to remind Hon. Members of the comments of my colleague from Victoria. He said that if this spirited debate which has just taken place is any indication of what can happen after the gruelling days, weeks, and months which have preceded, it certainly gives one reason to ponder just how exciting the session may be after September 25. I want to assure all Hon. Members that it absolutely terrifies me, let alone giving me a chance to ponder on it.

[*Translation*]

First, we have a point of order raised by the Hon. Member for Saint-Denis (Mr. Prud'homme), a very intelligent Member of this House with a great deal of experience in parliamentary procedure. In fact, perhaps he was right to raise his point of order, because if you look at the order for the adjournment of Parliament, you will notice that I used the word "ajournement". But in English:

[*English*]

By unanimous consent it was ordered: "That, when the House completes, later today", that was yesterday, "—proceedings on the motion for second reading of Bill C-15" et cetera, "—it shall stand adjourned until Monday, September 25, 1989, provided that—

[*Translation*]

And in French: "*Loi concernant la protection des obtentions végétales, elle s'ajourne jusqu'au lundi 25 septembre 1989, étant entendu que:*"

[*English*]

"If at any time a Bill or Bills be ready for the granting of Royal Assent" et cetera, which is exactly what we are doing now.

The Hon. Member has raised a point of interest. It is not—

[*Translation*]

—the first time the Hon. Member has raised matters of this kind, and I think he is entitled to have this point looked at during the summer, and subsequently, it would of course be appropriate for me to comment more specifically on this issue.

I want to thank the Hon. Member, especially someone with his vast experience of Parliament, for rising in his seat this afternoon and raising a point that is very important to our great parliamentary tradition and to the future of this country.

However, we have another problem and I must say I am very sorry. I realize that the earphones for listening to the simultaneous translation are not available at each Member's seat. I very much regret this oversight, but the point is well taken by the Chair.

And now, perhaps we can proceed with this afternoon's main event.

* * *

• (1410)

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a Message has been received from the Senate informing this House that the Senate has passed, without amendment, the following Bills: Bill C-2, an Act to establish the Canadian Transportation Accident Investigation and Safety Board and to amend certain Acts in consequence thereof; Bill C-8, an Act to amend the Department of Labour Act; Bill C-11, an Act to provide borrowing authority; Bill C-22, an Act to amend the Canadian Environmental Protection Act; Bill C-24, an Act to amend certain legislation respecting superannuation and other pensions; Bill C-27, an Act to amend the Non-smokers' Health Act; Bill C-30, an Act to amend the Judges Act; Bill C-239, an Act to change the name of the electoral district of Saint-Laurent; Bill C-240, an Act to change the name of the electoral district of Markham; Bill C-241, an Act to change the name of the electoral district of Fredericton; Bill C-245, an Act to change the name of the electoral district of Renfrew; Bill C-252, an Act to change the name of the electoral district of Restigouche; and Bill C-254, an Act to change the name of the electoral district of Windsor—Lake St. Clair.

Also, I have the honour to inform the House that a Message has been received from the Senate informing this House that the Senate has passed Bill C-35, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1990.

* * *

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the House that a communication has been received as follows:

Rideau Hall
Ottawa

June 29, 1989

Sir,

I have the honour to inform you that the Honourable Charles Gonthier, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 29th day of June, 1989, at 1.30 p.m., for the purpose of giving Royal Assent to certain Bills.

Yours sincerely,

Léopold H. Amyot
Secretary to the Governor General

THE ROYAL ASSENT

• (1420)

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate chamber.

And being returned:

Mr. Speaker: I have the honour to inform the House that when the House went up to the Senate Chamber the Deputy Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following Bills:

Bill C-7, an Act to amend the Criminal Code (pari-mutuel betting)—Chapter No. 2.

The Royal Assent

Bill C-2, an Act to Establish the Canadian Transportation Accident Investigation and Safety Board and to amend certain Acts in consequence thereof—Chapter No. 3.

Bill C-11, an Act to Provide Borrowing Authority—Chapter No. 4.

Bill C-8, an Act to amend the Department of Labour Act—Chapter No. 5.

Bill C-24, an Act to amend certain legislation respecting superannuation and other pensions—Chapter No. 6.

Bill C-27, an Act to amend the the Non-Smokers' Health Act—Chapter No. 7.

Bill C-30, an Act to amend the Judges Act—Chapter No. 8.

Bill C-22, an Act to amend the Canadian Environmental Protection Act—Chapter No. 9.

Bill C-239, an Act to change the name of the electoral district of Saint-Laurent—Chapter No. 10.

Bill C-240, an Act to change the name of the electoral district of Markham—Chapter No. 11.

Bill C-241, an Act to change the name of the electoral district of Fredericton—Chapter No. 12.

Bill C-245, an Act to change the name of the electoral district of Renfrew—Chapter No. 13.

Bill C-252, an Act to change the name of the electoral district of Restigouche—Chapter No. 14.

Bill C-254, an Act to change the name of the electoral district of Windsor—Lake St. Clair—Chapter No. 15.

Bill C-35, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1990—Chapter No. 16.

[*Translation*]

Mr. Speaker: Pursuant to Order made Tuesday, June 27, 1989, this House stands further adjourned until Monday, September 25, 1989 at 11 a.m., pursuant to Standing Order 24(1).

The House adjourned at 2.33 p.m.

HOUSE OF COMMONS

Monday, September 25, 1989

The House met at 11 a.m.

Prayers

Mr. Speaker: I should advise the House that I have received some questions of privilege, and I will commence by recognizing the Right Hon. Leader of the Opposition.

[*English*]

PRIVILEGE

CONTENT OF NEWSPAPER ADVERTISEMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I rise on a question of privilege of which both my House Leader, the member of parliament for Windsor West, and I have given you notice.

I wish to deal with a contempt of the House, a matter which under our proceedings as described in Maingot's *Parliamentary Privilege in Canada*, Chapter 12, is properly brought before the House as a question of privilege.

On August 26 of this year the Department of Finance placed two full-page ads in each language in major newspapers across the country. The type face was so large that it jumped right out at you. These Tory ads in big type were paid for by the people of Canada and read: "On January 1, 1991, Canada's federal sales tax system will change. Please Save This Notice". It explains the changes and the reasons for them.

[*Translation*]

Mr. Speaker, the same text appeared in French in French newspapers across this country, reading as follows:

> On January 1, 1991, Canada's Federal Sales Tax System Will Change. Please Save This Notice.

It explains the changes and the reasons for them. Now on the second page, we see a full page indicating the main changes that are being proposed, in detail, with the text of the amendments to the Act, and all this in the same ad, in the newspapers and in both languages.

[*English*]

Mr. Speaker, because you will need these before you in order to deliberate, I will at the conclusion of what I have to say to the House deposit these through you with the Clerk of the House, as I believe the rules require. It may be that at the conclusion of what I want to say the Clerk will want to read these into the record. That will be his and your judgment.

I intend to outline at the outset why I believe that these advertisements constitute a contempt of the House of Commons. I submit to Your Honour that the advertisement not only misrepresents the substance of the text but the procedure to which it is subject under parliamentary rules. It prejudices the proceedings that are now before a committee of the House, the Standing Committee on Finance, as well as prejudicing future proceedings and decisions of the House itself.

Your Honour, I will expand upon this point and if you find that a *prima facie* case of privilege has been established, I am prepared to move at the convenience of the House, under your order, the appropriate motion.

The wording "Please Save This Notice", followed by chapter and verse of the alleged tax changes, constitutes a basis for a question of privilege. Those words "Please Save This Notice" constitute a contempt of Parliament, constitute an intimidation of Parliament, because the only inference to be drawn from the words "Please Save This Notice" is that it does not matter what members of parliament do in dealing with these taxes. It does not matter what the committee on finance does with respect to these taxes.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): It does not matter what the people of Canada are saying with respect to these taxes.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): It does not matter whether the hon. member for Mississauga South decides in his good judgment that it does not work. It is not worth the public money, the public purse, he says, to take this committee to Newfoundland. He has since recanted, but it does not matter what the people of Newfoundland say, the people of Nova Scotia, Ontario, British Columbia, and Quebec. "Please Save This Notice. You are wasting your time. Do not bother to appear before this committee", that is what the government is actually saying.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): "Please Save This Notice". According to these ads these are the proposed changes which are going to come into effect. That is it. That is contempt of Parliament by those who write these ads. That is contempt of Parliament by those who authorize these ads. That is contempt of Parliament because only this House can authorize tax changes, only the House of Commons.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): This is the fundamental basis of the question of privilege before you. "Please Save This Notice". The ad states that specific measures will come into effect on a specific date—t does not matter what parliament does—when in fact no such tax legislation has been passed by the House of Commons. Nobody except perhaps the Prime Minister and the Minister of Finance wants to see any such legislation introduced into the House of Commons. Certainly not the Tory back-benchers who have had something to say about it this week.

• (1110)

The House of Commons committee on finance is going across the country seeking the advice of taxpayers on a technical paper to decide whether or not to recommend to the Minister of Finance whether or not to introduce legislation, which this ad says is already written in stone, because "Please Save This Notice"; nothing is going to change.

These ads are a flagrant circumvention of a fundamental parliamentary principle that it is the House of Commons, the representatives of the people from every province and territory in this country; that it is we as mandated by the people of Canada; that it is we the fiduciary of the people and only we on behalf of the people of Canada, who will have full control over what the taxes in this country are going to be.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): That right rests with parliament. It does not rest with a few slogan writers in a Tory advertising agency.

[*Translation*]

These advertisements violate our parliamentary tradition in two more ways. They prejudice the proceedings that are now before the Standing Committee on Finance as well as prejudicing future proceedings of the House itself.

Mr. Speaker, these ads constitute a breach of the rights and privileges of all Members and a contempt of Parliament.

A government that wastes millions and millions of dollars on newspaper ads not even a canary would want to see on the floor of its cage, and keeps saying that it is trying to cut spending in order to reduce the deficit, that Government is both hypocritical and utterly ridiculous.

Mr. Speaker, what we have here is not just a flagrant breach of parliamentary privilege but a flagrant case of government stupidity.

The harebrained scheme proposed by the Prime Minister and the Minister of Finance is a contradiction of every word they ever said about tax reform, both in the House of Commons and across the country.

What we have here, Mr. Speaker, is not just an obvious case of a breach of the privileges of this House, it is a flagrant case of breach of good faith.

The Prime Minister and the Minister of Finance are backing a ridiculous proposal which is not only not tax neutral, as they promised, but is in fact the most flagrant tax grab in this country's history. It does not reflect the simplicity promised by this Government and would in fact create an administrative nightmare we would not wish on our worst enemies. It does not provide for provincial participation, as promised, and will make Canada the only nation in the world saddled with two entirely different sales tax systems: a federal and a provincial system.

Mr. Speaker, what we have here is not just a flagrant violation of parliamentary privilege, it is also an obvious case of political fraud perpetrated by the Prime Minister and the Minister of Finance.

Mr. Speaker, I know that in the light of these facts, you would kick these scoundrels out the door, if you could, but I also realize you have very little leeway since you can only apply the Standing Orders as they concern questions of privilege.

[*English*]

Mr. Speaker, I want to read to you an important citation from page 543 of Bourinot's second edition, a quotation which will be of importance to you in your decision and of no interest to any Conservative cabinet minister because it was not made up by some Tory slogan writer at some Tory advertising agency. It represents the historic traditions of this House.

> The principal purpose of the House of Commons, in fact, is the consideration and criticism of the Estimates and the taxes required to meet the public expenditures and the committees in question are the parliamentary machinery by means of which the House chiefly exercises its political and constitutional functions.

That is the citation from Bourinot.

When the House of Commons committee is currently conducting hearings on a technical paper on the proposed sales tax, how can it expect to get a complete range of opinions from Canadians when millions of our fellow citizens read these two-page newspaper ads which state blatantly that certain tax changes are going to come into effect? Many Canadians who might otherwise be prone to submit a brief to the committee have taken the conclusion and taken the message from this ad of why bother. We have read the ads that say no matter what we say the Department of Finance has said changes are coming into effect, no matter what any individual Canadian may think. I would go on to cite for you, Mr. Speaker, Maingot's *Parliamentary Privilege in Canada*, a citation at page 192 which reads as follows:

> While privilege may be codified, contempt may not, because new forms of obstruction are constantly being devised and parliament must be able to invoke its penal jurisdiction to protect itself against these new forms.

Mr. Speaker, the none too hidden message of the ads is we are doing what we like whether you like it or not, whether your members of parliament like it or not, whether the House of Commons likes it or not, or the members specifically on the committee of finance like it or not. "Please Save This Notice", no changes allowed. I know that is what the Prime Minister and the Minister of Finance really believe.

I point out to you, Mr. Speaker, the definition of contempt contained in the twentieth edition of Erskine May's *Parliamentary Practice*, Chapter 10, page 143:

> It may be stated generally that any act or omission which obstructs or impedes either House of Parliament in the performance of its functions, or which obstructs or impedes any Member or officer of such House in the discharge of his duty, or which has a tendency, directly or indirectly, to produce such results may be treated as a contempt even though there is no precedent for the offence.

The Prime Minister and the Minister of Finance and their Conservative propaganda gurus who come up with new forms of obstruction obviously believed when they inserted this ad that they did not need to wait for any final parliamentary approval. They did not even need to wait for approval on second reading. They did not even need to wait for the parliamentary committee to report. They did not even need to wait for the act to receive first reading in the House of Commons as a bill. They ran the ads. They ran the ads not in order to help Parliament but to obstruct, impede, and threaten Parliament.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, I have read some of the citations from the authorities and I now want to give some references from leading members of parliament over the years within our lifetime. There are hundreds of quotations I could cite on the basis of the tradition that the House of Commons and only the House of Commons can pass upon a tax measure or an expenditure measure.

I will cite a few of these important historical references because I know, Mr. Speaker, that you share my concern and my understanding that the rules which we apply today rest upon our traditions and our history even though the Prime Minister and the Minister of Finance have no belief in history. Their motto is: "Why worry about history or traditions of the House of Commons when a good advertising copywriter can write one for you?"

I quote the late John George Diefenbaker, cited in *Hansard* on page 189 on December 11, 1947. It was a debate about tax changes announced over the radio by

then Finance Minister Doug Abbott. Here is what Mr. Diefenbaker had to say in this House:

> When a government utilizes powers—in a way never contemplated by Parliament, we have a right to ask that Parliament and the country be given an explanation.

Mr. Diefenbaker went on to ask whether there is, and I cite him again:

> —in any country—an occasion where taxation has been imposed by a minister by Order in Council.

Mr. Speaker, Mr. Diefenbaker would be stunned.

• (1120)

This government has not only the arrogance to contemplate taxation by Order in Council, it contemplates taxation by newspaper ads. Mr. Diefenbaker would roll over in his grave if he saw his successors on that side of the House consenting to this kind of action.

Later on March 9, 1948, on page 2028 of *Hansard*, Mr. Diefenbaker had this to say:

> The statutes of the realm provide in most emphatic language that no tax should be levied on a subject without the consent of Parliament.

In no way, shape or form has parliament given its consent. Mr. Diefenbaker, as partisan as he was and as partisan as he could be in this House, would be appalled that our current Prime Minister and Minister of Finance run ads purporting to say and suggest that parliament has given its approval.

[*Translation*]

Mr. Speaker, I now draw your attention to *Hansard* for April 20, 1961, where we see that a pamphlet published by the Department of Agriculture—and I do mean a pamphlet and not a massive advertising campaign for the reform of our tax system—led Walter Pitman, who was then the New Democratic Member for Peterborough, to raise a question of privilege. In his statement, Mr. Pitman asked, and I quote page 3825 for April 20, 1961: "How can the people of Canada be told how A.R.D.A. will operate when this bill has not received second reading? Is there a suggestion that second reading has no effect? Is it the contention that a debate in this house amounts to nothing more than the rubber-stamping of a measure?"

I draw the attention of this House to the fact that this question of privilege concerned only an agriculture bill which had not yet been presented to the House for second reading but which had already been tabled for first reading. But the question that concerns us today has not even been presented to Parliament for first reading. The question that concerns us here is the publication of advertisements in newspapers for a bill that has not even been drafted yet.

Mr. Pitman's position was supported by the late Lester B. Pearson, who said that the publication of the pamphlet indeed constituted an example of contempt for the House of Commons. Mr. Pearson said: "The question dealt with the circulation of a pamphlet dealing with an act of parliament before that act was passed. Therefore, undoubtedly, that action on the part of the minister is treating Parliament with contempt."

[*English*]

Mr. Speaker, your predecessor at that time was the Right Hon. Roland Michener. He did not have to rule on the issue because no formal motion was submitted, but he nonetheless took the trouble to address the House on this issue of contempt. Mr. Speaker Michener stated at page 3826 of *Hansard* on April 20, 1961 the following:

> There is a point that no one should assert that Parliament has acted before it has done so, particularly a Minister. If it is borne out by this document, I think the Hon. Members would have a point to deal with by Motion.

In other words he conceded the prima facie nature of the case. The ads run on August 26 of this year by the Department of Finance which said "On January 1, 1991, Canada's federal sales tax system will change. Please save this notice", meet the criteria set down by Speaker Michener because they implicitly assert that Parliament has acted before it has done so.

I fear that this intellectual discourse goes beyond the contemplative powers of Conservative members opposite. What do these modern masters of our destiny care what John Diefenbaker thinks or Roland Michener thinks?

Perhaps I can quote some of their most recent contemporaries. The instant copywriters of the Conservative party with their instant preachers, the ministers of the current government, might be interested in what some of their recent contemporaries had to say.

I want to quote from the now Lieutenant-Governor of Newfoundland and Labrador, representing the Crown and a province that the member for Mississauga South did not want to waste public money out of the public purse to visit so that the people of Newfoundland and Labrador could give their submissions before that committee.

In any event he is the Hon. James McGrath, known to yourself Mr. Speaker and me, formerly the hon. member for St. John's East, and the person responsible for some of our most recent procedural reforms. During the debate on the propriety of constitutional ads placed by the government in 1980, and by the way after debate had taken place in the House of Commons, Mr. McGrath stated his views on such government advertising on page 3528 of *Hansard* dated October 9, 1980:

> The purpose of such advertising can only be to inhibit the Opposition in its attempt to debate government policy or the assumptions on which it is based.

Of course the current situation is far worse than anything Mr. McGrath could have been contemplating, because we are not yet even debating a bill in the House of Commons but the government is calling it a *fait accompli*. The now Lieutenant-Governor must have seen what was coming when he referred to, and I quote him again, on page 3528:

> —the modern equivalent of the corruption and intimidation which contaminated the House of Commons at an earlier stage of its development.

Mr. McGrath has been gone from the House for a few years. Perhaps I should cite a more recent departure, a former Conservative Minister of Justice, the Hon. Ray Hnatyshyn, who has been gone for only 10 months. He is still actively practising law in this city. I would like to quote Mr. Hnatyshyn. He said at page 3529 of *Hansard*, October 9, 1980, during the same debate, and I quote him:

> A multi-million dollar advertising campaign—is contrary to every fundamental principle upon which Parliament has been developed and fought for over the years.

I can only say to him, through you Mr. Speaker: "Well said, Ray".

Some Hon. Members: Hear, hear!

An Hon. Member: We are going to miss him.

Mr. Turner (Vancouver Quadra): Now out of respect for the Prime Minister, although heaven knows why, I will restrain from quoting the former member for Yukon, the Hon. Erik Nielsen.

Some Hon. Members: Go ahead.

Mr. Turner (Vancouver Quadra): I would be willing if Your Honour and the Clerk wish that I deposit those citations with you, but I do not want to trespass on the goodwill of the House.

Mr. Speaker: The right hon. gentleman has referred to a recent book and the Chair of course would be interested in knowing which quotes.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, Erik Nielsen has enough ammunition that he could run a loose-leaf service. I am not citing his book, which I do not expect you to read in the course of your duties. I am just saying that I do have citations from *Hansard* attributed to the former hon. member for Yukon, but I will not, as I say, trespass on the goodwill of the House here.

Let us just talk about some contemporary members of the House, some ministers who have been in the House for some time. Let us hear what they had to say during the same debate about those constitutional ads. The current Minister of Energy, Mines and Resources must have had his own Prime Minister and his own colleague, the Minister of Finance, in mind when he said on the same day, October 9, 1980, at page 3531 of *Hansard*:

> What the government is attempting to do is—make the point—to everyone outside the House that no matter what argument is raised, legitimately or otherwise, that argument is not valid and that the plan of action has been completed.

Another minister who believes in taking the high road must have been in High River the day the cabinet authorized these ads, for the Right Hon. Secretary of State for External Affairs had this to say in the same debate, at page 3534:

> I think that an attempt to spend public money, to manipulate public opinion on public questions that have not yet been decided is an improper practice that offends the rights of the House of Commons.

In the same debate, the Secretary of State, at page 3532 of *Hansard*, had this to say:

> What the Government is trying to do is suggest that its advertisements reflect a decision that has been taken. That is false;

> that decision has not been taken. Those advertisements cannot be justified as being in any way a reflection of a decision taken here.

In 1980, the now Secretary of State for External Affairs flew into a rage in the House of Commons over one single ad proposing constitutional change which had been debated in the House of Commons, which he and his Party later voted for and which became the Constitution Act, 1982. He was furious at that one single ad which portrayed Canada geese floating across a Canadian sky. To him, that was a most dangerous type of ad.

• (1130)

I want to say through you, Mr. Speaker, to the Secretary of State and the Prime Minister, that what was sauce for the goose in 1980 is sauce for the gander in 1989.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, I want to go to the ultimate authority here. I want to quote the Minister of Fisheries and Oceans.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): For once in his political career, he was not throwing around red herrings.

I challenge him to appear in his full academic regalia and repeat the words he spoke in the House of Commons on October 9, cited at page 3537 of *Hansard*. I am sure he has memorized what he said. He memorizes most of what he says.

He said:

> My privilege, my reputation and my honour as a member of this House have been degraded because members of the government have been proclaiming around the country, in my name, and in the name of all members of this Parliament, slogans and view points that I believe not to be merely misleading but in many respects to be downright dishonest.

There are days I wish cabinet ministers would get up under the rules in Question Period and put a question or two, because then the Minister of National Health and Welfare could repeat his famous question of October 22, 1980, and pose it to the Minister of Finance. This is what the Member for Wellington—Dufferin—Simcoe, now the Minister of National Health and Welfare said then.

> May I ask the Minister how he can justify this double standard of exempting the Government from provisions regarding false and misleading advertising, where false and misleading advertising by the private sector would result in criminal charges being laid by the Government?

If private citizens can be prosecuted for misleading advertising why not the government of Canada?

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I know that the Minister of National Health and Welfare was in on the decision to place these ads because we all know that he has to be part of every important decision. The only thing to change faster than the views of the Minister of National Health and Welfare was the decision to nuke his submarine plan. The only reason I have to feel sorry for the Minister of National Health and Welfare is that I understand he recently went to see the movie *Batman* and found that the role of Robin the Boy Wonder had been scrapped from the latest version of it.

What happened to all those criticisms, to all those objections that members of Parliament, now sitting on the government side of the House, now cabinet ministers of the Crown, must have raised to this advertising campaign about the goods and services tax proposal? Did they raise the same objections in Cabinet that they raised in the House, or were those objections lost in the panelling of the cabinet room? Did they simply fall on the deaf ears of the Prime Minister and the Minister of Finance, a Prime Minister, after all, who doesn't really care too much about the fundamental principles of parliamentary practice and prefers a presidential stance.

Perhaps the Prime Minister himself dreamed up that phrase: "Please save this notice". The only reason people will save this notice is because they will want it as a reminder to vote against the Conservative government in the next election.

Some Hon. Members: Hear, hear!

I move from quoting certain honourable hypocrites to the serious ruling of a serious person. The then Speaker and now Her Excellency the Governor General, Madam Speaker Sauvé, outlined to the House how advertisements such as the one in question may be seen as a contempt of the House. She said that the advertisements would constitute contempt of the House if there was, and now I quote her, "some evidence that they represent a publication of false, perverted, partial or injurious

reports of the proceedings of the House of Commons". That is found at page 3781 of *Hansard* of October 17, 1980.

I submit to Your Honour that the present case clearly meets the criteria established by Madam Sauvé and clearly constitutes a contempt of this House. What could be more false, perverted, partial or injurious than to place advertisements in daily newspapers across the country implying and saying directly that certain tax changes would come into effect when such tax changes had never been considered in any proceedings of the House of Commons?

The advertisements are not partially false, they are totally fiction. If publication of any partial proceeding of the House constitutes contempt, then fabrication of tax changes which can only be made by proceedings of this House must also constitute contempt of this House of Commons.

[*Translation*]

Mr. Speaker, Madam Sauvé, when she was Speaker, continued as follows:

> —when a person or a government attempts to interfere with our deliberations through spending public money, or otherwise, directly or indirectly, or acts in contempt of the House, such action would constitute a prima facie case.

That was on October 17, 1980, as reported on page 3781 of *Hansard*.

The advertisements in question today bear the following headline, I remind you:

> On January 1, 1991, Canada's Federal Sales Tax System Will Change. Please Save This Notice.

These advertisements contain several paragraphs on the other side which precisely and concisely describe and explain the tax changes which are supposed to take place. These advertisements, Mr. Speaker, are a breach of the privileges of the House, not only because they present an erroneous, distorted view of our deliberations, but also because they state that the tax system will be changed and that it will be changed in a very specific way.

Under the Finance Department's imprimatur, which any right-thinking Canadian would take to be true, we find sentence after sentence containing flagrant untruths.

How can one publish such notices announcing that certain changes will be made when no bill to that effect has yet been presented to the House of Commons?

[*English*]

Madam Speaker Sauvé said this in another related ruling found at page 4213 of October 29, 1980:

> In the context of contempt, it seems to me that to amount to contempt, representations or statements about our proceedings or of the participation of Members should not only be erroneous or incorrect, but, rather, should be purposely untrue, improper and import a ring of deceit.

It is with great regret that I must state that the advertisements placed by the Department of Finance under the authority of the Minister of Finance do indeed import a ring of deceit. The advertisements were knowingly placed by the very people who were best placed to know that they were untrue, who knew they were misleading, who knew they smacked of nothing but deceit and who knew that there was nothing that Parliament had done in any way to validate the statements in the advertisements.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, the only possible serious purpose of the advertisements was to attempt to influence the Canadian public not to bother attending committee hearings, not to bother giving their views to members of Parliament, not to bother with the reports of the Finance Committee of the House of Commons, but to believe what was in those advertisements was the truth, even though it was not the truth.

• (1140)

It was an attempt to influence the Canadian people into believing that the ads represented an alleged fact, a parliamentary fact, even though they did not, and that the ads constituted the will of Parliament and expressed in the text a decision of the will of Parliament even though there had been no decision, no bill, no deliberations, no debate and probably not even a drafted text. That is only possible argument to be offered for placing those ads.

This is not only a breach of members' privileges, it is a contempt of Parliament. It is a fundamentally dishonest move to deceive the public by people who should know better.

The House of Commons has not considered any bill on the goods and services tax. The Department of Finance which placed these ads is responsible for drafting any such bill. The Minister of Finance, who is responsible for introducing the bill, is the same minister who is responsible for allowing the ads to be placed, knowing that no legislation has been drafted, knowing that no legislation has been presented, knowing that the committee of finance under the chairmanship of the member for Mississauga South is seeking the opinions of Canadians. All of that is a flagrant contempt of the House of Commons.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Centre): As manipulative as it would have been for the Minister of Finance to place ads stating what he would recommend to Parliament, that is not what he did. He went one step further. He allowed ads to be placed which indicated in specific terms that his recommendations had already become law. As misleading as it would have been for the minister to place ads stating that the tax system would change in some way or other, that is not what he did. He placed ads saying that the tax system would change in a specific manner, and in the ad he lists proposed changes in specific terms, pre-empting the work of the House of Commons, pre-empting the role of members of Parliament.

Now, the minister cannot claim that the ads merely provide information to the Canadian public about his proposals because, according to the ads, it is not a proposal, this is law. "On January 1, 1991, Canada's federal sales tax system will change," and he lists the specific changes. And, "Please, save this notice," because nothing is going to change, nothing that members of Parliament can say, nothing that Canadians can say, nothing is going to change, so please, save this notice.

The minister cannot claim that he is merely giving notice to the Canadian people of future tax changes. The Standing Committee on Finance, acting on Standing Order 108 (2) of this House is conducting hearings to advise the minister whether he should draft legislation on any goods and services tax. Until such time as he hears from the committee, the Minister of Finance is not in a position to give any detailed notice unless he is willing to admit contempt for the very House of Commons committee set up to advise him.

In our submission to you, Mr. Speaker, misrepresentations contained in the ads prejudice in a fundamental way the proceedings of this House of Commons. We have offered to you detailed precedents on the question of privilege. My colleagues will offer parliamentary analysis of the specifics contained in these newspaper advertisements. I put before you and submit to you, Your Honour, that this is a significant question of privilege covering the issue of contempt, under which it has always been placed. If you find a *prima facie* case, I am prepared to move the appropriate motion.

Now, you do not need a precedent on the issue of contempt, but I attempted to outline for you earlier parallel proceedings which support our claim. Again, I am prepared to submit the appropriate motion, if you should so find.

Thank you for your indulgence and for the indulgence of the House. Nothing is more fundamental than for members to stand on their feet to defend the issue of privilege of the House, because only when we do it on behalf of the Canadian people can governments be held to account. This type of presidential largesse, this type of contemptuous treatment of the people's representatives on the fundamental issue of Parliament, the issue of taxation, the foundation of Parliament, cannot be tolerated by you, Sir, or by any of us who sit in this Chamber.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, I have in my hand a copy of an ad that appeared in newspapers across the country in the middle of the summer. It says, and I quote:

> On January 1, 1991, Canada's federal sales tax system will change.

That is misleading, it is false, it is wrong and above all, in a democratic parliamentary system, it is contempt of Parliament and contempt of the people of Canada. That is what that ad is all about.

The people who put that ad in newspapers from one coast to the other are precisely the same people who, when they were on this side of the House, accurately pointed out that parliamentary tradition, if it means anything, means that a government of the day cannot use the funds of the people of Canada to advocate public

policy that has not yet been approved by the Parliament of Canada. That is the point that is at stake here.

I want to say in making this point that I listened with interest to the Leader of the Opposition and support almost everything he had to say, but I also note that he said at one point that what was sauce for the goose was sauce for the gander. He was quoting the Conservatives at length in their criticism of such action in the past. What he did not point out, of course, is that the Conservatives, when they were critcizing this action, were criticizing the Liberal government that was performing in precisely the same manner.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, the reality is that there has been an evolution toward this kind of advocacy advertising on the part of governments that was opposed by the New Democratic Party when it was done in 1980 by a federal Liberal government following a referendum in the province of Quebec, a referendum, the federal side of which had been supported by the then Leader of the Opposition, the Hon. Member for Yellowhead, and the government and the New Democratic Party. We believed that advertising that advocated a certain policy before it was approved by the Parliament of Canada, even if it was a policy we advocated, should not be supported by the spending of public funds. We said it in 1980; we repeat it now. I just wish the Liberals were a little more consistent.

Mr. Simmons: I cannot take it.

Mr. Broadbent: No, the Liberals cannot take it. They have trouble with the truth. The Liberals have a lot of problems with that.

Mr. Simmons: What would you know about that?

Mr. Broadbent: Mr. Speaker, the reality is that not only has the government proceeded over the summer in utter contempt of parliament by saying that changes are going to come into effect in 1991, but it has in the same ad listed a whole number of alleged elements of this change, the factual claims of which are totally at variance with the documents that were produced during the summer pertinent to the 9 per cent increase.

I want to deal both with the matter of parliamentary legitimacy which is being violated by the Government, and, in that context, with the misleading nature of the ads themselves in terms of what the government claims it is doing with this 9 per cent tax. It is full of outright misstatements, to use parliamentary language, that outside the House might be called by ordinary people, lies. Let me say it is misleading in terms of what is in there.

• (1150)

The ad says that this change that will go into effect at the beginning of 1991 is going to, among other things, help low-income Canadians. The reality is that some 300,000 families at or below the poverty level are going to be paying more taxes, not lower taxes, as a result of this 9 per cent change. So the government is misleading the people on that claim itself.

Mr. Oberle: Be honest!

Mr. Broadbent: I am, and the minister should be honest. He should go through these ads and listen to the interest groups who have appeared before the parliamentary committee, not supporters of the opposition parties, stating their views. He would then find out the truth about what is involved.

Not only is it inappropriate for the government to be spending money in advance of Parliament taking a stand on a policy matter, whether it is a tax matter or any other, but it is also the case in the given instance that the government, having done this, subsequently agreed with changes proposed by opposition parties to have hearings outside of Ottawa and even to have these hearings televised so the people of Canada can have their views known. If all these changes that the government asserts in its advertising are going to take place with the considerable detail outlined in the advertisements put in the papers, what, we ask, is the relevance of the hearings.

Does it make sense to go to the people of Canada? According to a decision reached, the committee is going to eight provinces as well as to Whitehorse. There surely is a contempt of Parliament by proceeding with these ads before Parliament has agreed. Beyond that, there is a contempt of the people of Canada if they say they are going to have hearings across the country and not pay the slightest attention to what the people of Canada have to say.

[*Translation*]

that almost all groups that have attended the hearings here in Ottawa have clearly indicated that they are against this sales tax. Groups, corporations, poor people's groups, women's groups, all groups here in Canada, are against this sales tax.

[*English*]

The other day, the Prime Minister was seen on television saying that he speaks for the people of Canada, while these people only speak for interest groups. When you have interest groups from Newfoundland to British Columbia representing women, the poor, large and small business and virtually all of Canada, we in this party say that it is the interest groups in this instance who speak for the people of Canada and not the Prime Minister, and he ought to listen.

It seems to us that in terms of parliamentary tradition, whether it was your predecessor or Mr. Roland Michener when he was Speaker of the House who spoke on this, the principle is very clear. The government ought not to be using the funds of the people of Canada for a political, partisan position of the government of the day in advance of a parliamentary agreement. This process started with the previous Liberal government, and to be fair, it was not used widely then, but it was started then. It was the beginning of the view that the government of the day can use the people's own money to advocate essentially political policies before they are approved.

If it was started by the Liberals in the 1980s, the practice has been extended and multiplied almost *ad infinitum* by the Conservatives on almost every major issue that has come up since the Conservatives were elected in 1984. They have used the people's money to do through public expenditure what they ought to have been doing as politicians, which is to persuade the people of Canada directly themselves. This process has got to stop.

Some Hon. Members: Hear, hear!

Mr. Broadbent: In rising in support of this question of privilege, I repeat that the point is of fundamental importance, but it has been something that other governments have pursued. If we are to put an end to it, Your Honour, there can be no better time than when there is a tax proposal that is unfair, inequitable and counter-productive in terms of economic growth. In almost every aspect, the tax proposal is not desirable.

What is at issue is the right of Parliament to decide and, after a decision has been reached, then it is permitted for a government to use its offices to declare in an informative way what a factual situation is in terms of the law of Canada.

Your Honour, you have the right, and some of us believe the obligation, to rule against the government on this particular occasion. In so doing, I say not only would you be taking a major step in the process of stopping an inequitable tax to be brought in by this government, but more fundamentally, in reaching such a decision, you will be reasserting the basic principle of parliamentary democracy.

Some Hon. Members: Hear, hear!

Mr. Speaker: Before hearing from the Hon. Minister of Justice, I think it is necessary for the Chair to say for the record that the debate which is taking place is on the question of whether or not the publication of this ad and its contents constitutes a contempt of the House. It is not a debate on the relative merits, whatever they may be or not be, with respect to a proposed piece of legislation. I think that has to be carefully kept in mind and that is what I have to keep in mind in making the decision which is sought in this chamber.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I start out by welcoming the comment you just made and indicating that I will deal with the argument put forward. However, I would appreciate the same latitude that was accorded to my colleagues who spoke earlier. I do that because I appreciate that they feel it is a serious matter.

I want to preface my remarks by welcoming the House back. I know that members have had an active summer and are anxious to get back to the business of government. We, as you know, Mr. Speaker, wanted to start off today with debate on the bill to establish the Ministry of Forestry. We informed the opposition of this two weeks ago and our speakers are ready. I am not sure whether this is a delaying tactic because their speakers are not ready, but ours are ready, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Gauthier: Mr. Speaker, I rise on a point of order. The minister tells us he is ready to debate the bill.

Mr. Turner (Vancouver Quadra): So what!

Mr. Gauthier: So what! We have before us a question of privilege, a question of contempt of the House. I think it has precedence over the minister's disposition to debate a bill. We are ready, too, to debate any bill he brings forward.

Some Hon. Members: Hear, hear!

• (1200)

Mr. Lewis: It is always nice to know when you have struck a nerve, Mr. Speaker. I cannot help but notice that that brought my friend to his feet. I regret the delay just as he does and his members who want to debate this very important bill on the ministry of forestry act. I appreciate that as Whip he has brought his members back and they are now cooling their heels.

I cannot help but in opening my remarks refer to the fact that my hon. colleague, the Right Hon. Leader of the Opposition, made liberal reference to Mr. Diefenbaker. There is one other quote that he should remember. Mr. Diefenbaker said: "When you are hunting bear you shouldn't be distracted by the rabbit tracks". I think what we are seeing here today is two parties distracted by the rabbit tracks, because the essence of the GST debate should be handled elsewhere.

I think it is fair to say that the replacement of the present federal sales tax with the goods and services tax is a fundamental change in the way sales taxes are applied in Canada. We appreciate that. We felt it was our job and our responsibility as a government to see that all individual Canadians, whether they are employers or employees, understand the changes that we are proposing.

When one places ads one always wants to know that they are being read. I appreciate the publicity that my hon. colleagues have given this issue by referring to the ads that were placed across Canada. We are pleased that they have had that impact on the Canadian people and on my colleagues in opposition.

Reading the text of the ads has never been a great strength of my colleagues opposite. So if I may, Mr. Speaker, I would just like to point out one thing. I do not want to read the entire ad. I could go on to say that it is a major program to reduce the deficit. I could say that it will strengthen our international competitiveness, but what I would like to focus on are the words "proposed changes".

Mr. Riis: Mr. Speaker, I rise on a point of order. I appreciate the comments of my hon. friend and I listened with interest. I just want to bring to his attention that it says in the headlines that the federal sales tax system "will" change. There is no proposed. There is no maybe. There is no likely. It is "will". It is very clear.

Mr. Lewis: My hon. friend only reads the left side of any newspaper. This is on the right side.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Gauthier: If the Minister would read the article or text we are talking about, I may remind him that Citation 83 of Beauchesne's, Fifth Edition, reads as follows:

> Should a question of privilege be based on published material, the article in question must be submitted and read at the Table.

It makes no difference to us whether the Minister wants to read the right side or the left side of the ad. If he doesn't want to read it, he should ask the clerk to do it for him. We read the ad, and we say it is unparliamentary and undemocratic.

[*English*]

Mr. Lewis: While my hon. friend was out rounding up his critics on the forestry act, his leader made liberal reference to the advertisement in question. I was just picking a point out that perhaps my hon. friend had missed.

I think that what we have here is an effort by the government to inform Canadians about proposed changes. It has resulted in a great number of calls from interested Canadians, many of whom I understand are supportive of the act and the suggestion. We have had a flood of requests for overview documents and technical papers, and I know that right now the department is anticipating another flood of requests for information as a result of the fact that this has been raised by the Hon. Leader of the Opposition.

There is a bit of a contradiction here. My hon. friend says on the one hand: "You should not distribute material, you should not advertise it is available for distribution", and at the same time members of the committee last week were calling for further debate and further hearings. You cannot have it both ways. He either wants full and open hearings with full and open

advertisements as to proposed changes or he does not. What we have to do is decide that.

In the interest of exposing this issue to the House and enabling you, Sir, to make your decision, I would point out that on March 16, 1988 there was a report of the finance committee which recommended unanimously that if the government were to proceed with a value added tax it should publicize the details of that tax and the relevant social policy transfers.

It is hard to say who was the finance critic for the Liberal Party at that time, just as it is today. In any event, that committee when it reported said to publicize the details, so we are taking that unanimous recommendation and we are publicizing the details. I think that is in the interest of what we are trying to do.

Great comment has been made here today that the House has never made any decision on whether or not to go ahead with the goods and services tax. I realize that the opposition was distracted last spring. Last spring we brought in a budget and the opposition was distracted for about six weeks or eight weeks. How long was it? They completely missed the fact that in that budget there was a goods and services tax. I am sorry that they missed that. The quotes in there are: "These measures will be replaced by the new sales tax to be implemented on January 1, 1991".

I would also refer my hon. friend to the fact that on May 15 of this year the House approved in general, and I quote, "the budgetary policy of the government". The goods and services tax is included in the budgetary policy of the government and therefore has been approved by the House.

I know that my friends will not be persuaded by that political argument, so let me move quickly to the procedural argument. This is a political argument and I do not have any difficulty with that. We will make the political argument. We are making it in committee, we are making it in the House, and we are making it in the country. Let us look at what the well-known experts say about parliamentary privilege, and I shall read from Erskine May, page 143, where it states:

> It may be stated generally that any act or omission which obstructs or impedes either House of Parliament in the performance of its functions, or which obstructs or impedes any Member or officer of such House in the discharge of his duty, or which has a tendency, directly or indirectly, to produce such results may be treated as contempt even though there is no precedent of the offence.

The committee is sitting. The debate is going on. Nobody is impeded. Nobody yet in this debate has suggested to you, Mr. Speaker, they are impeded from doing what they should do as members of parliament.

The same point is made also in *Abraham and Hawtrey* on page 80. It has to impede the member and the member's abilities.

Let us talk about advertisements. We are fortunate in this to be able to produce some comments from a well-known Canadian presently listed as a three to two favourite, the Hon. Jean Chrétien. I know that members of the House who are at five to one, ten to one, and twenty-five to one, the hon. members for Hamilton East and Gloucester, will be interested in these comments. This is not post time. Post time is on a weekend in June, but that is where they are.

Let us deal with what Mr. Chrétien said. He said that it was the goal that the House of Commons was pursuing at that time in order to have constitutional reform come quickly and effectively to Canada. He said: "I do not think that the privileges of the members have been affected". He is referring, of course, to an advertising campaign put on at the time by the government of the day to promote constitutional reform just as we are promoting tax reform. That was defended vigorously—and I notice he stepped out for a minute—by the present member for Welland—St. Catharines—Thorold. He said, and these are great words: "There is a need to achieve understanding of Canada's evolution, the integrity of the federal system of the Government." This is on page 16839 for my colleagues who will want to read those citations in full. I have other citations, but I want to close.

• (1210)

My colleagues made great reference to the arguments that we made in opposition. I want to close with the ruling of the Speaker of the day. Let us get to the issue of advertising in advance of a parliamentary decision was

decided. What is the precedent that the House is looking to? What is the precedent, Sir, that you will look to in making your decision?

Let us look at the precedent at page 3780 on October 17, 1980 of *Hansard*. Madam Speaker said:

> On Thursday last the hon. member for St. John's East (Mr. McGrath) raised a question of privilege, the gist of which is set out in his proposed motion where he asked:
>
> > That the matter of the financing of public advertising campaigns at taxpayers expense on behalf of a partisan policy or opinion, before such policy or opinion has been approved by the House of Commons, be referred to the Standing Committee on Privileges and Elections.

The Speaker dealt with it in a very well reasoned judgment. I remember thinking so at the time. She said in brief that the issue is whether that allegation of using public funds to publicize a matter is a breach of privilege, *prima facie* I might add. She commented that the privileges of Members are: freedom of speech in the House and the right to attend their parliamentary work without being subject to subpoenas to be a witness in other arenas, without being called for jury duty, without being subject to civil arrest.

She said:

> In addition, the House itself has the power to provide for its own constitution, its own procedure, to discipline its members and to punish for contempt.

Those are the privileges that my hon. friends claim are breached. They are certainly attending their parliamentary work. They are at committee. They are here in the House. Life goes on. We tried to get the forestry act on but we were impeded. I guess if there is anybody being impeded it is the members who support a department of forestry. Those are the people who are being impeded. Those people who depend on the forestry economy are being impeded, not the members here.

The Speaker concluded:

> The spending of public money cannot be the issue, but when a person or government attempts to interfere with our deliberations through spending public money, or otherwise, directly or indirectly, or acts in contempt of the House, such action would constitute a *prima facie* case. However, the inference must be such that the member or the House is truly hindered or intimidated.

I say this to my friends opposite. None of them are intimidated. None of them are hindered. They are all here.

Mr. Broadbent: I am.

Mr. Lewis: The hon. member for Oshawa is intimidated. Nonsense. There have been things a lot more intimidating than this.

This is public debate and I close by submitting to you, Mr. Speaker, that there has been no *prima facie* case of privilege. The ads were for proposed changes. They were for informational purposes. In fact they have done their job and we have hundreds and thousands of requests for information. We are trying to inform the people. As a result they are going to the finance committee. There is debate at committee. There is debate in the country. That is what we wanted.

This is no quickie through the night. This is reasoned debate and information. I say to you that that is where the debate should take place. It should take place at committee, in the country and in the House of Commons when the bill comes forward, but not under the guise of a *prima facie* case of privilege, which it clearly is not.

Some Hon. Members: Hear, hear!

Hon. Herb Gray (Windsor West): Mr. Speaker, the legislation this House is asked to consider is important, but even more important is the very concept of the House itself and its ability to do its duty in a free, fair and untrammelled manner. I say this not simply in conjunction with its debates but in terms of the interaction between the members of this House and the people of Canada.

I think it very wrong for the government through the Minister of Justice not to recognize that when members of this House raise a question of privilege they are not impeding in any way its process but are making sure this process can operate in the most fundamental and beneficent sense in terms of the interests of this country.

Some Hon. Members: Hear, hear!

Mr. Gray (Windsor West): This House cannot function if its privileges are not respected. This House cannot function if the government of the day treats it with contempt as we submit it has done by putting these misleading and inaccurate advertisements in newspapers across this country.

The Minister of Justice came here crying crocodile tears about the fact that in an effort to preserve the foundations of our parliamentary system we are raising this question of privilege and asking you to rule as to whether there is a *prima facie* question of privilege

before we get on today to the matter of the setting up of a department of forestry.

The Minister of Justice said that he had told us in our House Leaders' meeting two weeks ago that this bill on forestry was to be the first item of business called. I want to remind the Minister of Justice and this House that well before that, on August 28, we gave formal notice in writing to you, Sir, that we intended to raise a question of privilege about the advertisements that the Department of Finance put in a number of Canadian newspapers on August 26, 1989.

The Minister of Justice talks about the well-known saying of the late Mr. Diefenbaker with reference to distraction by rabbit tracks. I say that when one looks at the flimsy and superficial argument offered by the Minister of Justice he is really giving rabbits and their tracks a bad name.

Some Hon. Members: Hear, hear!

Mr. Gray (Windsor West): The Minister of Justice, in a desperate attempt to find some hook on which to place its justification for the ads in question, says: "Let's take a look at the ads". He notes that in very small print in one spot the word "proposed" occurs. I ask you, Mr. Speaker, to take a look at the advertisement as a whole and the over-all impression conveyed and I think intended to be conveyed by the advertisement.

One of your distinguished predecessors, Mr. Speaker, has already been quoted here. Madam Speaker Sauvé in her ruling of October 17, 1980 said, and I want to quote this again:

> The fact that certain members feel they are disadvantaged by not having the same funds to advertise as does the government, which could possibly be a point of debate, as a matter of impropriety or under any other heading, does not constitute a prima facie case of privilege unless such advertisements themselves constitute a contempt of the House, and to do so there would have to be some evidence that they represent a publication of false, perverted, partial or injurious reports of the proceedings of the House—

Madam Sauvé, a few weeks later, on October 29, 1980, giving a ruling on a related question said:

> My role is to interpret the extracts of the document in question, not in terms of their substance, but to find whether on their face they represent such a distorted interpretation of the events or remarks of our proceedings that they obviously attract the characterization of false.

It does no good for the Minister of Justice to desperately dredge out from the bowels of this ad, buried somewhere in it, the word "proposed". When one looks at the ad on its face one is drawn irresistibly to the conclusion that it is false in the sense referred to by Madam Speaker Sauvé.

• (1220)

Now we look at the ad itself. It covered two full pages in the newspapers and on one page we found only these words: "On January 1, 1991 Canada's federal sales tax system will change. Please Save This Notice." Then the ad on the same page goes on to say: "It explains the changes and the reasons for them".

It does not say it explains the proposed changes. It does not say we are giving you some ideas to help you come before the finance committee. It says in effect: "This is it. Do not bother expressing your opinion. This is the message. Do not bother expressing your opinion to the finance committee. Do not bother expressing your opinion to your members of parliament". Canada's federal sales tax system, the ad says, will change. It explains the changes and the reasons for them and says: "Please Save This Notice".

I do not think it helps the government in any way to have been able to find the word proposed, as I have said, buried in the bowels of this ad, this abomination of an ad. I do not think it helps the government at all to say that a parliamentary committee two years ago, or a year and a half ago—anyway before the last election—talked about the goods and services tax because there is nothing in this ad on its face or in its substance that says its purpose is to tell people about the parliamentary committee report.

I do not think it helps the Minister of Justice to say that the government presented a budgetary statement to this House which made some reference to a new sales tax. It does not help the government to say that this House, or rather the Conservative majority in it, adopted a motion approving the budget in general terms because the budget statement in question did not contain the information purported to be conveyed by the advertisements in question.

For all anybody could know from reading the budget statement, what was going to eventually come forward would have been a 1 per cent tax on caviare or a 2 per cent tax on stock exchange transactions. Because every time we asked the government what was going to be in

this tax, because we said we could not get any information about it from the budget statement, the Minister of Finance said: "Well, you will just have to wait for the technical paper, wait for the technical paper", which did not come out until months after the budget statement was presented, after the House was adjourned for the summer.

I respectfully submit that it is not an answer to the point of privilege raised by the Leader of the Opposition today to say that there was some reference to a new sales tax in the budget statement, because the details of the government's tax which were contained in the ad we are talking about today were not in the budget statement.

On the contrary, the government went out of its way to write its budget statement in a form which hid the full, devious, unfair and harmful intentions it had about its new goods and services tax.

The fact there is a budget statement and it was approved by the Conservative majority in this house is not in any way an answer to our concern that this advertisement is a contempt of the House, because on its face it is false in that it conveys to the public the idea that a decision has been made which is final and irrevocable and all that people are now supposed to do is save the ad so they will be able to know the awful fate in store for them through the Conservatives' goods and services tax.

I might say that the government cannot have it both ways. On the one hand, at one point in his remarks the Minister of Justice was saying this ad was simply designed to tell people about the report of the finance committee in 1988. In the next breath he says: "Wait a minute, I am not certain about that. What I am really trying to say is that this ad tells people what was in the budget". He cannot have it both ways. The fact is it does neither. It is intended to convey on its face, by people who obviously knew what they were doing, that there had been a final decision which the people of Canada would have to submit to.

It might be asked whether the people of Canada, in reading this advertisement, understood that it was conveying the impression there was a final decision which involved this House of Commons. I am not suggesting that every Canadian is an expert in parliamentary procedure, but I am sure that Canadians generally, if we asked them how a tax like this comes into effect, would say this happens because the House of Commons votes in favour of it.

Therefore, when this advertisement in question says in effect there will be a new tax on January 1, 1991, and that is it, the advertisement is intended to convey the idea that parliament has acted on it because that is, I am sure, the ordinary understanding of Canadians about how a tax like this is finally adopted and comes into effect. That being the case, it is clearly a contempt of parliament because it amounts to a misrepresentation of the role of this House in this matter at the time the ad was presented and even today as we speak.

We know that at the time the advertisement was presented no bill for adopting this tax had been approved by the House. No bill for that purpose had been even given first reading. In fact, in the technical paper that appeared a few weeks before the ad, the Minister said the bill had not even been drafted yet. There was not even a Ways and Means motion which, if adopted, might have given some foundation for an ad of this type, but even that had not happened. I submit what we have here is a case that falls squarely within the principle enunciated by Madam Sauvé. We have in this ad a misrepresentation of the role of this house.

Next we ask: Was this purposeful, was this intended? We are not dealing here with an offhand comment made by a minister facing a group of reporters in a scrum outside this House after Question Period. We are not dealing with an offhand comment by a minister in a quick radio or television interview. We are dealing with what is obviously a very fully thought through and deliberate act by people who are in many ways the elite of the Public Service of Canada, the officials of the Department of Finance acting on behalf of one of the senior ministers, the Minister of Finance, and therefore on behalf of the entire Government of Canada.

An advertisement of this type does not slip out without thought and reflection. It is not an accident. On its face it is a purposeful and deliberate act. Clearly, what we are talking about is the situation contemplated by Madam Sauvé when she laid down her very useful principles with

respect to what, when it comes to an advertisement, would constitute a contempt of this House.

• (1230)

I want to deal with one other point. The Minister of Justice attempted to enumerate what constitutes the privileges of this House. He said, "Well, nobody has suggested yet that anything involving this advertisement affects one of these enumerated privileges".

We are dealing with something more serious and more profound than what is ordinarily considered under the heading of privilege. We are dealing with the matter of contempt, contempt of this House. It is true that when one asks the Speaker to deal with the issue of a contempt of this House it is raised through the vehicle of a question of privilege, but contempt is not exactly the same thing as the privileges of this House. It is something that goes further. It is more profound. It is more substantial. To quote Madam Speaker Sauvé in her ruling of October 29 she said:

> I can assure all hon. members that the dimension of contempt of Parliament is such that the House will not be constrained in finding a breach of privileges of members or of the House.
>
> This is precisely for the reason that, while our privileges are defined, contempt of the House has no limits. When new ways are found to interfere with our proceedings, so too will the House, in appropriate cases, be able to find that a contempt of the House has occurred.

So I say, Mr. Speaker, that it is totally irrelevant for the Minister of Justice to enumerate what has commonly been defined as being among the privileges of this House because we are dealing with something, as I have said, more broad, more profound, and which is not required to fit into existing definitions of privilege that is the matter of the contempt of this House.

Therefore, I say to you, Mr. Speaker, that while on the one hand what we are talking about here—this abomination of an advertisement that appeared in newspapers across Canada last August—falls within what Madam Speaker Sauvé has said would constitute a contempt of this House, it is also open to you—and I invite you to do so—to look at this advertisement and the arguments made about what is wrong with it and find that it is a contempt of this House because it is within your power to define, in terms of new situations and new circumstances, what constitutes a contempt.

I stress, Mr. Speaker, that if you would prefer to deal with this on the basis of precedent in terms of previous rulings, then you have that opportunity clearly in terms of the language of Madam Speaker Sauvé. What we have here in this advertisement is something which is false on its face in terms of of what purports to be a report of the proceedings of the House of Commons or representation of what members have done. I repeat, the only way that the statement on the face of this ad, which reads: "On January 1, 1991, Canada's federal sales tax system will change, please save this notice"—it explains the changes and the reasons for them—the only way it could have meaning is if it is intended to convey the idea that this House has acted in a way which would make the changes in the ad possible, and we know this has not happened. Therefore I predict that if this government has the interests of this country at heart and listens to the Liberals and to the New Democrats, but above all listens to the people of Canada, these changes will not take place and in fact they must not take place.

Some Hon. Members: Hear, hear!

Mr. Speaker: I may be able to assist members by indicating that I have been listening very closely. As the members will notice, I have been taking notes. I think I have the arguments. The Hon. Member for Kamloops is rising. I will hear him briefly.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I do have some brief comments to make, to add to points already put forward by members of the opposition and the hon. member from Oshawa.

I want to begin by suggesting that what we see before us when we refer to the advertisement that is being discussed here today, is something that I think we must also recognize as being libellous and defamatory against the House of Commons and against the members of the House.

When a government department does not accept a decision made by Parliament, the ultimate form, if you like, in our decision-making, the question is: Does it have a right, then, at the urging of their minister, to use taxpayers' money to challenge the decision of Parliament? I will use an example. If the Minister of Justice did not support or would not accept the decision made by the House of Commons on the decision of reproductive technology, would he feel it appropriate, then, to use taxpayers' money in his department to take out full page

ads condemning the House of Commons, condemning the decision made by the duly elected members in the House?

I think we would agree as parliamentarians that that would not be appropriate. It would not be an appropriate use of the authority given to the minister. It would not be an appropriate use of taxpayers' funds allotted to that department. Have we not had exactly the same situation occur here? The ad in itself, as others have pointed out, indicates that there will be a tax change. There is no question about that, if you look at the ad.

Recognizing that this ad was taken out by the Department of Finance, presumably with the authorization of the Minister of Finance, it points out a number of items. It points out that the federal sales tax has been pushed beyond its limits. Therein lies the criticism, that, presumably, this ad is suggesting that the House of Commons, in its wisdom, in terms of amending the tax legislation, has increased the tax system, in this case the federal manufacturers' tax, to such an extent that it has been pushed beyond its limits, that it becomes meaningless, that it is not functioning appropriately. Is that, then, not a question about the decision-making of this House? While we in the House would disagree, when the decision is made, when the vote is taken, and time after time when the government has increased the manufacturers' sales tax—and since 1984, it has increased it four and a half percentage points to 13.5 per cent—that was, whether we in the opposition liked that initiative or not, a decision of this House.

Here we have the Minister of Finance criticizing that decision. We have the Minister of Finance, as a result of this ad with the support of the Finance Department, saying that that decision was wrong-headed, that that decision was a bad one, an inappropriate decision.

We go on in this advertisement. It comments on the tax system as being structurally weak. The House of Commons, over the years, has determined what kind of tax system we have. Is it the right, then, of the Minister of Finance, after he or she has been a part of that decision-making, to condemn the decisions taken by that government, by using taxpayers' money in terms of a propaganda machine to achieve another agenda item.

He goes on in this advertisement to suggest that the tax system is unpredictable and unreliable. Again, what he is doing is criticizing the decisions of his government. He is criticizing the decisions taken by this House. I suspect, Mr. Speaker, that while many of us may agree that the decision itself was that this is the tax system we have, here we have the Minister of Finance condemning the decisions of the House of Commons, and using taxpayers' money on top of that.

I think we all agree that if a particular political party wishes to launch an advertising campaign to promote a certain idea, they have a right to do that. I think it is perfectly clear, if the Conservative Party of Canada, who presumably wanted to introduce this tax, and if that is part of their political agenda, then they should be using party funds to promote this idea. But that did not occur, Mr. Speaker. That is why we believe that there has been an act towards contempt of this Parliament.

• (1240)

Some Hon. Members: Hear, hear!

Mr. Riis: In a previous decision on this matter Speaker Sauvé in her explanation of her decision pointed out that for her to find a *prima facie* case of privilege it would only exist if there was a publication of false material. Now, Mr. Speaker, there is no question that that has been the case, on two counts.

First, it is impossible at this point for the government to say that there will be a tax change. The government has no right to suggest that until the documentation has been properly introduced in the House of Commons. I want to refer specifically to some items that have not yet been introduced.

We recognize that our fundamental right as a House is to grant money and to impose taxes. This right, Mr. Speaker, as you are well aware, is the prize of centuries of struggle and even wars against monarchs and governors. In Canada, this important democratic right and privilege has been cemented right into our Constitution. The Constitutional Act of 1867 reads under section 53:

> Bills for appropriating any Part of the Public Revenue, or for imposing any Tax or Impost, shall originate in the House of Commons.

Mr. Speaker, when it says "originate in the House of Commons", it does not mean originate in a government advertisement using taxpayers' money to suggest that there will be a different tax.

Some Hon. Members: Hear, hear!

Mr. Riis: Mr. Speaker, the next section of the Constitution is also relevant to this discussion. This is a balance, if you like, which ensures that the House does not grant or tax without recommendations of the Crown. Again, I quote from section 54 of the act:

> It shall not be lawful for the House of Commons to adopt or pass any Vote, Resolution, Address, or Bill for the Appropriation of any Part of the Public Revenue, or of any Tax or Impost, to any Purpose that has not been first recommended to that House by Message of the Governor General in the Session in which such Vote, Resolution, Address, or Bill is proposed.

As previous speakers have indicated, the Governor General has not recommended to this House that such an initiative be taken. That in itself, Mr. Speaker, ought to encourage you to recognize we have sufficient evidence for a *prima facie* case of privilege. I do want to suggest that we are not asking you to decide if the matter that is raised before us ought to go to the committee for consideration. We are simply asking you to determine whether there is sufficient prima facie evidence about the question to permit a motion to go before this House so that the House of Commons can decide whether or not this item should go to the appropriate committee. I think it is appropriate, Mr. Speaker; we are simply asking for the opportunity to have the question placed before the House.

When one goes on and looks at the precedents before us, I want to simply draw to your attention Standing Order 80 as it presently reads. It states that:

> (1) All aids and supplies granted to the Sovereign by the Parliament of Canada are the sole gift of the House of Commons, and all bills for granting such aids and supplies ought to begin with the House, as it is the undoubted right of the House to direct, limit and appoint in all such bills, the ends, purposes, considerations, conditions, limitations and qualifications of such grants which are not alterable by the Senate.

Again, this has not been done. The House Leader for the government indicated that it had been indicated in the House that this would be an intention of the government as a result of a finance committee report. We all remember well the contents of that report and the recommendation. The recommendation was simply if the government proceeds with a consumption tax of some sort that it should make every effort to inform the public as to its implications. There was no mention that this is a 9 per cent tax; no suggestion that it would be a multi-level tax; no suggestion that there would be rebates and exemptions. I think we have to simply clarify the point that the government House Leader made in his argument.

Clearly, the House has not received any Royal Recommendation that such a goods and service tax be imposed. I think that is fundamental, Mr. Speaker. For years and years the tradition of this House has been that no initiative would be taken unless a Royal Recommendation was received in advance, and such has not occurred.

I want to quote a recent parliamentary counsel who wrote the following, "When by some act or word a person disobeys, or is openly disrespectful of the authority of the House of Commons or Senate of their lawful commands, that person is subject to being held in contempt by the House of Commons or Senate as the case may be".

On two counts, Mr. Speaker, I suggest that the Minister of Finance had no authorization by which to proceed with this advertisement suggesting to Canadians that on January 1, 1991, a federal sales tax system will change. There is no authorization, again, because of the lack of any royal initiative.

Second, the Minister of Finance was acting in contempt of Parliament, again, for suggesting that there were all sorts of problems associated with the existing federal manufacturers' tax, when it was in fact his Government that is responsible for the nature of that tax as it is today. In a sense, it was the Minister and his officials publicly condemning outside the House of Commons actions and decisions taken by this House. For that reason I believe that we do have a *prima facie* case of privilege before us. If you would find that to be the case, Mr. Speaker, as I indicated in an earlier letter to you, it would also be my intention to move the appropriate motion.

Some Hon. Members: Hear, hear!

Mr. Speaker: I want to reiterate that the Chair has been listening very carefully, and I think I probably have most of the points.

The Hon. Member for Ottawa—Vanier has a brief matter which I am prepared to hear, and then I will hear the Hon. Parliamentary Secretary.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I listened to the debate this morning, and I would now like to explain very briefly why this ad, published at great expense in newspapers across the country, in English and in French, is open to a very specific interpretation, at least in the French version.

I want to go back to the text of the ad which appeared in the newspapers on August 26 this year. In French, it reads as follows: "*Le 1er janvier 1991, le régime de la taxe fédérale de vente connaîtra des modifications. Veuillez conserver cet avis.*" So far, I believe the Leader of the Opposition (Mr. Turner), the Hon. Member for Windsor West (Mr. Gray) and others said what needed to be said. However, the ad goes on to read as follows: "*Il explique les modifications apportées et les raisons qui y président —*".

In the French text, the word "apportées" indicates that the changes were made, were adopted. That is not the case in the English text.

[*English*]

It explains the changes made. We do not say that in English. We say that it explains the changes and the reasons for them. But in French, Mr. Speaker, it says the changes "made". It seems to me a very clear point of intent. If that is true, then it changes the whole dynamics of how one speaks to Canadians in one's language.

I will send you the appropriate text, Mr. Speaker. I think you have the French text, but I will send it to you.

[*Translation*]

Mr. Speaker, I could mention Maingot's comments on contempt and privilege. I think Hon. Members already heard my leader and my parliamentary House Leader speak with considerable eloquence on the subject. My point is simply that this Government cannot use its majority to make Canadians believe that they and they alone can change taxes in Canada. Parliament, Mr. Speaker, has that authority. I maintain it is a violation of the privileges of Parliament, of this House of every single Member, both on the Government and on the Opposition side, to have paid the princely sum of $800,000 for a newspaper advertisement which says: The changes in the Income Tax Act have now been made. Make way for the 9 per cent tax!

• (1250)

Mr. Speaker, my Leader in the House reminds me that both languages, both in this advertisement and according to our custom here in the House, are equally valid. If I look at the French text, it is clear we have no choice: The die is cast. The tax will become effective on January 1, 1991, come hell or high water. Mr. Speaker, I object to this practice, and I am absolutely against an interpretation that is not reflected in the other language.In fact,only one message should be given here, and that is a message from the House to Canadians who are listening, a message which I think must be clear. The Government has violated the privileges of this House by going to great expense to place an ad that is false and inaccurate and conveys a message that is entirely incorrect.

[*English*]

Mr. Speaker: I have indicated to the House that I think I have probably heard sufficient argument. If the hon. member is rising because he feels that there is some point that has not been touched upon, I will hear him very briefly, but I think we should move on.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, yes, I will respect your clarification at the beginning as to just what we are debating. It is not the content of the tax bill, but just the contempt of Parliament.

I rise to add something that has not been stated in this debate. Prior to making your decision, Mr. Speaker, I request that you or your staff walk across from your office to the parliamentary reading room. You will see that the same ad has been put in all of the major ethnocultural newspapers in Canada. I just had an opportunity to look briefly yesterday at the same ad given in the *Novy Domov*, the Czechoslovak bi-weekly; the *Zwjaz Kowiec*, the Polish bi-weekly; *Meie Elu*, Our Life, the Estonian weekly; *Latvije-Amerika*; *Kanadsky-Slovék*, the Canadian-Slovakn; *Homin Ukrainy*, the Ukrainian Echo; the *Téviskés Ziburiai*, the Lithuanian weekly; the

Corriere Canadese. These are just a few that I looked at. The same ad appeared in all of these major ethnocultural newspapers across Canada.

When Canadians who subscribe to these newspapers see an ad from the government, they believe it is fact, that it is already legislation. And it is not. If the ad would at least read, "federal sales tax system may change" or "the government is proposing changes", I would accept it. I would have no argument. But the ad said: "On January 1, 1991, Canada's federal sales tax system will change." And because it will change, "Please save this notice." And this ad explains the changes and the reasons for them.

Why are we wasting all the money sending a parliamentary standing committee across Canada? Why are we getting our salaries here? Why are we going through this fiasco, Mr. Speaker? Let us respect authority, the authority of this House of Commons which the government has lost. It has lost all respect for the authority of Parliament. That is exactly what we are debating. That is exactly what I would like you to add to your decision because I know, Mr. Speaker, you are going to be looking for precedents. You may not find any.

No other government in the history of Canada would dare pull such a stunt when they are bringing about a major tax change in this country. It is a heavy burden on your shoulders, Mr. Speaker. You may be the one who may have to set a precedent to protect the authority of Parliament; to protect my individual privilege and work as a member. The hon. House Leader said we are free; our privileges as members have not been affected. Yes, my privilege has been affected. Sixty per cent of my constituents are Canadians who read these newspapers. They are saying, "Mr. Flis, we thought we elected you to parliament". They are saying, "But decisions have already been made. Why did we send you there?"

So, yes, my privileges as an individual member have also been denied and tampered with. But the major debate here—and it is a very heavy burden we have place on your shoulders, Mr. Speaker, and this is why I am adding this additional information—is that we must protect the authority of the Parliament of Canada.

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I do not think I will need to take more than just a couple of minutes to make a couple of points that I think are important. I do not want to get involved with much of the debate that has gone on because I think it is largely political in nature and dealing to a certain degree with the substance rather than with the question of privilege that is before us.

The point I want to make is this. First, the opposition seems to have tried to make a case of the distinction between a case of privilege and a case of contempt. I want to deal with that very quickly because I think it is important that we look at that.

First of all, the question that is before the Chair at this point really is, very essentially: Have the privileges of this House or an individual Member been tampered with? If we look at Erskine May, at the beginning of Chapter 5 it states, "The privileges of Parliament are rights which are absolutely necessary for the due execution of its powers".

The question we have to ask ourselves is: Does this advertisement in any way infringe upon Parliament's absolutely necessary powers? No, I think it is very obvious that that has not happened.

Secondly, it states, "They are enjoyed by individual Members because the House cannot perform its functions without unimpeded use of the services of its Members".

Are the Members in any way impeded from appearing in the House or in committee? Obviously, they are not. So the definition of privilege has obviously not been met in any way by the presentation that has been made by either of the opposition parties today.

But let us look at the question of contempt. According to Abraham and Hawtrey's definitions, the parliamentary dictionary, we see it states on page 80:

> Contempt of either House of Parliament—Any act or omission which either directly obstructs the due proceeding of that House or has a tendency to produce that effect by bringing its authority into contempt, e.g. the publication of reflections on the character or conduct of a member in his capacity as a member.

Whether they guise it in the words "privilege" or "contempt", the bottom line is that nothing has been done in these advertisements that would in any way directly or indirectly obstruct the due proceedings of this House. It is obvious—we are doing it today. A committee of the House of Commons continues to look into the subject. The process is ongoing. It has not in any way been impacted by those advertisements. So it is very

clear that in fact we have neither a contempt nor a case of privilege.

Finally, I want to say this. I think Madam Sauvé's ruling on a case very similar to this is in fact very pointed. I would like to refer to one quotation at page 3781 of *Hansard*. She said:

> Rather, the advertising referred to by Members seems to deal with the issue of the constitution rather than the proceedings of the House.

We could take exactly the same words here, changing one. Rather, the advertising referred to by members seems to deal with the issue of the GST, as opposed to Constitution, rather than the proceedings of the House. In other words, Madam Sauvé found that the issue that she was dealing with at that time was not a contempt, was not a privilege; and, of course, we are in exactly the same situation today. Our proceedings continue whether they be here in the House of Commons or whether they be in committee. Our individual Members have not in any way been hampered or tampered with or intimidated in any way to prevent them from participating in this debate. The debate continues today. The debate will continue for some time to come, and the House will come to its decision. There is in no way either a privilege or a contempt. I think Madam Sauvé's ruling applies very specifically.

[*Translation*]

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

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

NATIONAL DEFENCE

CLOSURE OF CFB SUMMERSIDE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the closing of CFB Summerside is one of the most callous moves that the Conservative government has ever made. It is devastating Summerside and, indeed, the economy of Prince Edward Island.

I had an opportunity first hand on Friday to visit the town council and the people of Summerside and found jobs are disappearing; homes, savings, tax base, merchants, and young people, will all disappear from Summerside and leave Prince Edward Island.

The Prime Minister's refusal to consider other military uses for CFB Summerside displays an astounding disregard for the people of Prince Edward Island. Summerside is not a "bullets and bombs" operation. It protects our country's sovereignty: surveillance of overfishing, surveillance of environmental danger, surveillance of the importation of drugs.

Premier Ghiz and the citizens of Summerside are working to find an alternative use for the base. I urge the Prime Minister of Canada, just for once, to stop and listen to the people of Summerside. Let us give them some help.

* * *

FINANCE

PROPOSED GOODS AND SERVICES TAX

Mr. Ken Hughes (Macleod): Mr. Speaker, the greatest challenge faced by Canada today is the annual deficit and the accumulated national debt. Balancing the books needs exactly that, a balance. Our nation needs to balance incoming revenues with outgoing expenditures.

Many Canadians in my riding of Macleod tell me that we need to go further on both accounts. They say we need to balance the proposed GST with the kind of spending restraint started by this government.

The following are a few examples of recent achievements: selling off 18 Crown corporations raised more than $3 billion; new or increased user fees recover some $300 million annually; and cuts in spending for defence, the CBC, VIA Rail, FBDB and other programs, grants and contributions will save billions.

No one likes taxes, no one likes cutting services, but friends and colleagues, Canadians with common sense know that Mike is right.

S. O. 31

VIAL RAIL

REDUCTION OF SERVICES

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, since the Minister of Finance announced the five-year $1.2 billion cut to the operating budget of VIA Rail, Canadians have strenuously expressed their opposition to any reduction of VIA Rail services.

To date, the Prime Minister and the Minister of Transport have received, been made aware of, or will shortly receive over 300,000 cards, letters, and signatures on petitions of Canadians who support VIA Rail. These are just the ones we know about.

My colleague, the member for Sault Ste. Marie, and I have also received notice from over 300 municipalities that have passed motions supporting VIA Rail. Many of these motions have been passed unanimously, showing the depth of support Canadians have for VIA Rail.

In light of this massive outpouring of support for VIA Rail, I call on the Minister of Transport to recommend to cabinet that support for VIA Rail not be cut and, in fact, assistance to VIA Rail be raised to a level suitable to bring VIA Rail into the 21st century.

* * *

CANADIAN BROADCASTING CORPORATION

SALUTE TO *NEWSWORLD*

Mr. Geoff Scott (Hamilton—Wentworth): Mr. Speaker, the new fall season on television has produced one genuine surprise for Canadians. CBC's all-news channel, *Newsworld*, has been up and running, occasionally stumbling, since July 31, but one can only marvel at how professionally a staff of 190 people has mounted an ongoing newscast from Newfoundland and Labrador to the west coast and, next month, Yellowknife.

Despite technical growing pains, *Newsworld* is providing national programming done by the regions, from the regions, and that is certainly a change from the southern Ontario based networks.

The viewer is electronically whisked across several time zones for live coverage of inquiries into the Mount Cashel Orphanage in Newfoundland, the Dryden air crash in Thunder Bay, Ontario, to the tragic J. J. Harper slaying in Winnipeg, to the Pattie Starr scandal in Toronto, and, of course, to this place, Mr. Speaker. It is happening now, it is exciting, and it is addictive.

Newsworld is showing Canada to Canadians, and as a former private broadcaster I am proud to salute the CBC for this truly national service.

* * *

FINANCE

PROPOSED GOODS AND SERVICES TAX

Hon. Herb Gray (Windsor West): Mr. Speaker, about a month ago some 100 small business people in the city of Windsor, Ontario, got together and of their own accord paid for a full-page ad in the *Windsor Star* opposing the Conservative government's goods and services tax. The ad had coupons in it which people could send to the government in the form of petitions. These coupons read: "Mr. Wilson, we the undersigned are strongly opposed to your new 9 per cent goods and services tax. Stop Wilson's added tax. Where will the taxes end?"

I received, to deliver to Mr. Wilson, in the course of only three or four days, some 2,400 coupons, as did my colleague, the member for Windsor—St. Clair. Unfortunately they are not in a form that could be tabled in the House as petitions. However, I ask the government to treat them as such petitions and to respond to them favourably. I will be delivering them to the Minister of Finance and I ask the Minister of Finance and the Government to listen to these voices of the Canadian people, listen to these voices of Windsor and Canada, and withdraw this tax before it does irreparable damage to this country.

* * *

ABORTION

REQUEST FOR LEGISLATION

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, in the riding of Elk Island, and indeed across this country, Canadians have expressed a view that Canada must have a law that restricts abortion. It is our obligation as members in this parliament to take a common sense approach in dealing with the abortion question.

In order to pass in this House of Commons a successful abortion law must include two fundamental elements: Number one, a genuine concern for the health of

Canadian women and, number two, protection for unborn children.

Canadians from sea to sea demand an abortion law. Canadians will accept nothing less than a law that significantly reduces the number of abortions performed in Canada.

* * *

FISHERIES

WEST COAST SALMON AND HERRING

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, I want to bring to the House's attention another sell-out by the Conservative government in its inadequacy in dealing with the resources of Canada.

In the federal government's attempt to protect west coast fisheries it made a ruling that all salmon and herring would have to be landed in British Columbia, inspected and then sold. GATT opposed that agreement. We lost at GATT, and what did the federal Government do? Instead of going back to GATT, it went to the free trade panel and said that this will be solved there as promised by the Prime Minister.

We know now that we have lost again. This government has sold out British Columbians. This government has sold out Canadians. Our fishing industry is threatened and they are gutless to do a single thing about it. Scrap the free trade agreement. Save Canadian jobs. That is what needs to be done.

* * *

[*Translation*]

VISIBLE MINORITIES

ALLEGED RACIST REMARKS OF MEMBER

Mrs. Nicole Roy-Arcelin (Ahuntsic): Mr. Speaker, I want to express my feelings of revolt and sadness concerning the remarks made recently by a Member of the Opposition who criticized a fellow Canadian running in an election and called him a black man just released from a psychiatric hospital.

I feel personally involved because my husband and children are of Haitian origin, therefore black. The black community of this country—4 per cent of all Canadians—and all Canadians have been insulted and humiliated by the irresponsible remarks of the Hon. Member about Mr. Jean Alfred.

By remaining quiet and silent about such undignified behaviour, do Members of the Liberal Party of Canada not endorse this statement?

Mr. Speaker, I respectfully urge the Leader of the Liberal Party to repudiate immediately in this House the racist statement of one of his colleagues.

* * *

[*English*]

FINANCE

PROPOSED GOODS AND SERVICES TAX

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, "While a balanced federal budget is desirable, what good is a balanced budget to the next generation if they inherit a dead planet?" These are the words of Mark Cullen to the Minister of Finance on behalf of 3,000 concerned Canadians.

We ask you: Does it make sense, considering that all the oxygen we breathe is produced by green, living plants, that landscape plants and indoor plants will be taxed at the same 9 per cent rate as many pollution producing products? Does it make sense that the home composters will be taxed, while it is proven that home composting can reduce residential curbside garbage by 30 per cent?

Does it make sense that a head of lettuce from California will be tax-free at the supermarket, while Canadian produced lettuce seeds and transplants will be taxable?

We believe that the exemption of these and many other environmentally friendly products from the proposed federal goods and services tax is a serious oversight.

Please say no to tax on plants and encourage Canadians to take an active role in cleaning up the environment.

The undersigned have said: "please, say no to tax on plants."

* * *

HUMAN RIGHTS

COMMENTS OF MEMBER

Mr. Willie Littlechild (Wetaskiwin): Mr. Speaker, I want to inform this House about outrageous remarks made by an hon. member when he referred to a fellow

Canadian as a *noiraud qui revient de l'hôpital psychiatrique.*

It is simply not acceptable to sink to this level of personal attack on a man seeking elected office and it is not acceptable to refer to any Canadian in this cruel manner. This is the language of apartheid and of fear and ignorance. This is the language we might expect from other elements of society, not from a man to whom Canadian people have given their trust.

We in the Conservative party are serious about combating racism. Let us see whether the members opposite are serious about eradicating it as well, wherever it is found. Let us see whether the Liberal Party has the courage to stand for human dignity, or whether it encourages such excesses.

• (1410)

We as parliamentarians have to stand up and be counted. I challenge the Leader of the Opposition to take strong measures and remove the member for Hull—Aylmer from his caucus responsibilities.

* * *

CAPE BRETON DEVELOPMENT CORPORATION

NEW WATERFORD OPERATIONS—LINGAN MINE

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise today to urge the Government of Canada to provide a real commitment to the Cape Breton Development Corporation and in particular its operations in New Waterford, namely, the Lingan Mine.

Some months ago the Government of Canada entered negotiations with the province of Nova Scotia to provide moneys to a Pictou county coal mine. I am informed that these negotiations have progressed to the point whereby the Government of Canada will be providing money to that particular operation. The Cape Breton Development Corporation will be in direct competition with this particular facility. As a result, 275 jobs will be lost at the Lingan Mine in New Waterford, Nova Scotia.

The municipal council of the town of New Waterford and all of its citizens, as well as the local MLAs and the Conservative Premier of Nova Scotia, have come out in support of the longevity for the Lingan Coal Mine.

I ask that the Government of Canada, through the minister responsible for the Cape Breton Development Corporation, provides a clear and unequivocal commitment to the Cape Breton Development Corporation but, more important, to the Lingan Mine, its viability, and the protection of some 1,200 jobs in a small mining town in Canada, namely, New Waterford. I seek that commitment today .

* * *

TRANSPORTATION

PASSENGER RAIL SERVICE

Mr. Ken James (Parliamentary Secretary to Minister of Labour): Mr. Speaker, on behalf of my colleagues from southwestern Ontario, I rise at this time to remind the Minister of Transport and our cabinet colleagues of the particular importance of local passenger rail service for our area.

On a number of occasions our message to the minister and the cabinet has been clear and concise. Passenger rail service is very important to our area and must continue to be a component of the local transportation fabric. Our residents count on the train. Ridership and revenue statistics clearly reflect that people in southwestern Ontario have and will continue to use it rather than lose it.

Two other facts are equally evident. First, there are opportunities for further improvement in ridership and cost recovery through administrative and scheduling changes and fare increases. Second, the less than adequate condition of local on–road and air transportation networks preclude these from being viable alternatives for increased volume.

It is for these reasons that the particularities of southwestern Ontario should be taken into full consideration prior to any decision being made on changing the north and south lines of passenger rail service in southwestern Ontario.

* * *

FINANCE

PROPOSED GOODS AND SERVICES TAX

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, we all are aware that a tidal wave of opposition is sweeping across the country against the government's proposal for a goods and services tax.

For example, some of those groups include the Canadian Federation of Independent Business, the Canadian Organization of Small Business, the Consumers' Association of Canada, the National Council of Welfare, the Canadian Home Builders Association, Wood Gundy, the Ontario Coalition of Senior Citizens, the One Voice Seniors Network, the Canadian Conference of the Arts, the Canadian Association for Universities of Continuing Education, various groups in the reading industry, the Canadian Bar Association, the Canadian food industry, the Conference Board of Canada, the Canadian Chamber of Commerce, the Institute for Policy Analysis, the Canadian Bankers' Association, an increasing number of Conservative back-benchers, and the New Democratic Party.

Not only do we oppose the tax; we have an answer: tax those individuals and corporations that are not paying their fair share of tax today.

* * *

EMPLOYMENT

PRESENT SITUATION IN ERIE

Mr. Girve Fretz (Erie): Mr. Speaker, the government has created a serious problem in my riding. There is a shortage of workers in my riding.

In the *Fort Erie Times Review*, the headline read: "The boom is on: employment galore". There is a tremendous demand for construction workers, for electricians, industrial personnel, hospital personnel, word processor operators, payroll clerks, technical writers, and financial managers.

To alleviate the shortage, Manpower Temporary Services is assisting seniors, UIC and welfare recipients, by teaching them new skills and upgrading old ones.

The success of these programs is evidenced by the fact that 80 per cent of the temporary positions lead to full-time work. These are the kinds of problems we need.

Mr. Speaker: Before we commence Question Period I want to draw to Members' attention the fact that today we welcome 42 new parliamentary pages to the House.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Speaker: Again this year more than 500 young men and women from various regions of the country applied under this program. We are very lucky to have these young Canadians with us.

[*English*]

I know Hon. Members would want me to wish them the very best, both here and as they study at Carleton University and the University of Ottawa. *Merci bien.*

ORAL QUESTION PERIOD

[*English*]

FINANCE

PROPOSED GOODS AND SERVICES TAX

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister. The Prime Minister intends to impose the largest single new tax in Canadian history since the creation of the personal income tax. It is a new sales tax of billions upon billions upon billions of dollars.

With one tax this Prime Minister is setting a record for broken promises. He promised that the tax would be fiscally neutral. It is not. He promised the tax would be simple. It is not. He promised the tax would be involved with provincial taxation. It is not. He promised the tax would be visible on sales slips. It is not. He promised the tax would be brought in at the same time as the personal surtax was dropped. It was not. He promised the tax would be fair and he, above all, knows it is not fair.

I put to the Prime Minister, why is the Prime Minister bringing in this sales tax which is in violation of every single principle he described as being essential to tax reform?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there are a lot of things in the preamble to that question which are quite inaccurate. If the Leader of the Opposition wants to put them individually, I would be happy to respond to them one by one. I do want to deal directly with his question. He asked why are we bringing this in?

I want to quote Mr. Wolfe Goodman, QC, who is one of the pre-eminent sales tax experts in this country, a

man who was asked by the previous government, the Liberal government, to do a study on sales tax reform at the request of Mr. MacEachen and Mr. Lalonde who knew that the sales tax had to be changed.

He did refer to the technical paper that I released a month ago as "a virtuistic triumph, an extraordinary piece of work, a major contribution to Canadian tax policy". Now this gets to the point that the Hon. Member has raised. "We can only look at the existing sales tax and say it must go. It is a thorough bad tax and, in fact, the Minister of Finance is being far too moderate in his comments about it, in my view. It is a vicious tax, one that has no place in a democratic community and I am grateful that the glacier is finally beginning to move, that we are approaching an era of major sales tax reform."

That says it as eloquently as I can as to why this sales tax must go.

Mr. Turner (Vancouver Quadra): Mr. Speaker, any member of the House could quote from hundreds of briefs that are being amassed before the committee on finance chaired by the hon. member for Mississauga South which are unanimously against the tax that was just praised by the minister.

Some Hon. Members: Hear, hear!

[*Translation*]

THE PUBLICITY CAMPAIGN—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I can understand why the Prime Minister would rather stay quiet and keep some room to manoeuvre just in case he might have to get rid of his current Minister of Finance. Again my question is directed to the Prime Minister. His Government is waisting millions of dollar in a publicity campaign which it intends to pay for by imposing a national sales tax: A tax on learning, a tax on illness, a tax on child education, a tax on staples and a tax on death itself.

• (1420)

How can the Prime Minister justify such a spurious publicity campaign before the Canadian public?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Leader of the Opposition is concerned about the Minister of Finance's future. He wonders whether I intend to fire my Minister of Finance. I can tell you that the only Minister of Finance ever to be fired in this House was the Liberal Party critic who was fired by his Leader because he was essentially in favour of the policies put forward by the Minister of Finance.

[*English*]

Mr. Turner (Vancouver Quadra): The Prime Minister takes the usual high road and we will try to follow his example.

Here is a Prime Minister who has raised the taxation 31 times since he was sworn into office. The total amount of personal income taxes collected by all 10 provincial governments plus the two territorial governments combined is less than the amount contemplated to be collected by the federal government under this new sales tax. It is the largest single tax grab in Canadian history, and the Prime Minister is trying to pretend to the Canadian people that it is really a tax cut.

Why does the Prime Minister not recognize that it is so flawed that it does not respond to his own criteria for fair taxation? Why does he not go back to the drawing board and begin all over again in a spirit that is fair to the people of Canada?

Mr. Mulroney: Mr. Speaker, just in case there is any doubt or mystery as to why the member for Etobicoke North, the finance critic, was fired by the Leader of the Opposition—

An Hon. Member: He quit.

Mr. Gauthier: You had seven or eight ministers who quit on you, too.

Mr. Mulroney: The member says that he quit. If he quit, or if he were fired, I can say in respect to the member for Etobicoke North that he is a great loss to the Liberal party because they need sane voices in matters of finance and taxation.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Last year the position of the Liberal party was this, and I quote:

> In short, a single-rate value-added tax on the broadest possible base is a desirable objective—in the context of the Canadian tax and social welfare system, it can be an important source of revenue without distorting economic decisions and with rather low administration and compliance cost.

That was their position last year. That is what the Minister of Finance is attempting to do. If they were

consistent, they would be giving the Minister of Finance the same kind of support now that he obviously deserves.

[*Translation*]

REQUEST THAT PRIME MINISTER WITHDRAW HIS TAX PROJECT AND CO-OPERATE WITH THE PROVINCES

Mr. Douglas Young (Gloucester): Mr. Speaker, Canadian men and women by the thousands are against this tax as proposed by the Minister of Finance. Business people, boards of trade, small and medium-sized businesses, consumers, students, senior citizens, trade unions, everybody in Canada is concerned about the enormous consequences of this tax. My question is very simple and it is directed to the Prime Minister.

In view of the fact that we have two parallel tax systems, something which had not been foreseen in the report he has just mentioned and which had been approved by the Liberal Members sitting on the Finance Committee, could we have today a commitment from the Prime Minister that he will get off this terrible tax which threatens all Canadian citizens and do what he had promised to do us first place, namely, to cooperate with the provinces and set up a national sales tax in Canada?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon. member says that we promised a national sales tax. He knows that that is not correct. He knows that we put in the White Paper of June 1987 three options. One of them was a national sales tax and the two other were federal only options. One of those federal only options was put forward to the Canadian people in the last budget and was amplified in the technical paper.

The hon. member asks why do we not go back to the provinces. The simple fact is that our tax, as I indicated from the comments of Mr. Goodman, is a very bad tax and there is general agreement that it must be replaced. I think that the hon. member would agree with that. He stated on August 8 that it is replacing a bad tax. I think most people understand that the manufacturers' sales tax was not a very healthy thing for the country.

The hon. member himself says that we must make a change. We must and we agree with that. The provinces do not have to make a change to their sales taxes, as I think a former politician from a province will understand because there is not the same necessity. We have to move ahead. They do not. That is why we were not able to get this federal-provincial agreement.

Mr. Young (Gloucester): Mr. Speaker, the Minister and every man and woman in small and medium sized business know that the goods and services tax that he has proposed creates an administrative nightmare both for the government and for business: two separate taxes applicable on two separate sets of goods in at least nine provinces of this country.

If he is not going to listen to us, I suggest the Minister has to listen to the Federation of Independent Business and the Chamber of Commerce.

My question is: Will the Prime Minister order the Minister of Finance to recognize his obligation to have a fair and equitable tax system in this country that can be supported by Canadians, withdraw this tax, and go back to the drawing board?

Mr. Wilson (Etobicoke Centre): I acknowledge what the hon. member has said. I would have preferred not to have had the two levels of sales tax.

The simple matter is that we were not able to get together because the interests of the provinces were not such that they wanted to do that. I have said to the provinces that we are prepared to sit down at the table, if they can come up with a proposal that their governments support and that they agree to, including their Premiers. I think that if they do that then we can sit down.

I am not hopeful of this because of the attitude that they have demonstrated in their comments in August where they had lots of things to say in criticism of this tax, but they had no alternatives and no other options that we should be prepared to consider. That is why I do not think we can achieve that.

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Minister of Finance who just a minute ago was quoting Mr. Goodman on tax policy. As is frequently the case, it was selective quotation.

I want to remind the Minister that the same Mr. Goodman had this to say about his tax: "It takes money from the poorest and most vulnerable people in Canada. It is shameful".

Some Hon. Members: Hear, hear!

Mr. Broadbent: I want to ask the Minister of Finance this. Considering that this regressive tax has its most negative impact on the poorest people of Canada, and considering the government took months to indicate that its original plan was not to put a tax on food, and recently both the Conservative chairman and vice-chairman of the committee looking into this issue have talked about reimposing this tax on food, will the Minister give unequivocal assurance to the House of Commons that the government has no intention of making a bad tax worse by broadening it to include food?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, the proposal is very clear. It does not tax food and it does not tax basic groceries.

What I do want to say to the hon. member is that when he says the proposal that we have on the table is very damaging for low income people, I point out to him that he is very, very wrong and he is misinterpreting and misrepresenting what the tax system said.

The goods and services tax itself would be a regressive tax. It would hurt the poor. But we have attached to the goods and services tax the low income tax credit which provides an offset. It keeps low income people whole so that families who are earning less than $30,000 will be better off after tax reform and they will pay less as a result of tax reform. That is a fundamental element of this tax which has been widely acknowledged as being a major step forward and will make sure that this sales tax system as a whole, will be one of the best in the world today.

• (1430)

Mr. Broadbent: Mr. Speaker, I say to the minister I was quoting his expert, not mine. The expert was talking about the inadequacy of the compensatory measures to which the minister has just referred. The reality is that even after these changes are made in tax credits, 300,000 families living at the poverty level are going to be worse off, not better. That is the reality and he said it.

[*Translation*]

IMPOSITION OF TAX ON FOOD—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): The Minister has not answered the question concretely. The question concerns suggestions made by the Chairman and Vice-Chairman of the Committee on this subject and they raised the problem of imposing this tax on food. I repeat: Would the Minister assure Hon. Members of this House that the Government does not intend to impose this tax on food?

[*English*]

Mr. Wilson (Etobicoke Centre): Mr. Speaker, let me quote Mr. David Perry, who says: "The refundable sales tax credit system that he has outlined in the paper is probably the best system that any country has come up with to produce a sales tax that is not horrendously regressive".

That is exactly what we are proposing in this paper. We believe that the combination, not just of the sales tax credit but the combination of the exemption on basic groceries, the reduction of the middle-income tax rate, the rebate for housing, the payment we are making to small business people to offset the impact of the compliance cost for them, all of these produce a very solid fairness package that we have put before the committee. Now it is up to the committee to listen to the views of Canadians. We heard some last week. We are going to hear views from all sides of the question as the committee completes its work over the course of the next six weeks.

Mr. Broadbent: Mr. Speaker, the minister having selectively quoted from one expert has now switched to another. We will follow that up. In neither case, in the answers he has given so far, has he answered the question. The question is straightforward and what he implied by his last answer is that the government is in fact considering once again putting the tax on food. If it is not the case, I want the minister to come to the House of Commons and make it clear today that whatever the government plans to do with this tax, he, the minister, will guarantee us unequivocally that this tax will not be put on food. Will he say it or won't he?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I have made it very clear. We are putting forward a package, a fair and balanced package, a package that provides a number of very important fairness elements. This government has stated that it is very firm in the support that it provides for the package that is on the table today. That package includes the exemption of taxation for basic groceries.

[*Translation*]

IMPOSITION OF FEDERAL SALES TAX—PRIME MINISTER'S POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is addressed to the Right Hon. Prime Minister. Since he claims to promote national reconciliation, how can he justify his unilateral action in imposing a federal sales tax? How can he justify this action faced with the unanimous opposition of the provinces and how can he explain this action to us when all experts agree that without the provinces' involvement, this new tax will be an indescribable administrative mess?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Minister of Finance and his colleagues met for about two years to find a way for both levels of government to agree on such an important tax. It became obvious that the provinces, for their own reasons, could not deal with such an important subject, in view of certain time constraints they were under.

Therefore, the federal Government, based on the options outlined in the White Paper, decided to proceed with an option in the national interest.

The Government and Parliament of Canada make every effort to reach agreement with the provinces in important areas of our national life, but ultimately, it is the federal Government and federal Parliament that speak for the national interest. Here in this House, we speak for the Canadian interest and we acted according to what Canada needs.

COLLECTION OF TAX—PRIME MINISTER'S POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, I should like to ask the Prime Minister whether he thinks that the interests of Canadians and the interests of taxpayers will be served by the fact that anywhere between 5,000 and 10,000 new public employees will have to be hired to collect his famous tax?

Is it in the interest of Canadians to set up a new parallel tax collection system when the provinces already have 50 years of experience in that field? Does the Prime Minister think that is showing respect for the taxpayers?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the figures may need official confirmation. Contrary to the administration to which my friend from Shefford used to belong, since this Government took office the number of federal public employees has been reduced by roughly 12,000. I would suggest this is a significant achievement.

If over the coming years we should need a heavier tax to promote Canada's economic growth, we will not hesitate to do just that. Our responsibility is to protect the national interest and promote the Canadian economy, and since we took office we have brought renewed prosperity to this country. We want Canada to remain competitive in the next century, and this can only be done by getting rid of a harmful tax and replacing it by another one which will make us more competitive and be fairer to all Canadians.

REQUEST THAT MINISTER OF FINANCE WITHDRAW HIS TAX PROJECT

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is directed to the Minister of Finance.

In the course of its work, the Liberal task force on housing met with builders, landlords, tenants, co-ops, unions, municipal authorities and bankers, all of whom vigourously condemned the new sales tax on housing.

Six months ago, the Minister promised the tax would not have a negative impact on rental prices.

Mr. Speaker, my question is—the Minister did not keep his promise and the consequences will be disastrous. Is the Minister willing to go back to the drawing board? Is he prepared to withdraw his tax? In other words, will the Minister keep his promise?

[*English*]

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I made it very clear that rentals would not be taxed under this proposal.

Mr. Joe Fontana (London East): Mr. Speaker, a supplementary to the same minister. The reality of the situation, according to the Canadian Home Builders' Association and other experts, is that the cost of the average house in Canada will increase by $3,000 due to the goods and services tax, even after the rebate. This represents an increase six times larger than the minister's own figures.

Will the minister finally admit that he has failed in his commitment to Canadians not to increase the cost of home ownership because of the ill-conceived, irresponsible and hurtful tax?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, let me make two points. First, when I made the commitment on housing in Saskatoon last year, I said that the impact of the goods and services tax would not adversely affect the

affordability of housing. I believe that we have met that commitment.

As far as the numbers that have been produced by the Home Builders' Association are concerned, the proposal that we have put forward is based on the largest data base in the country today, the data base of Canada Mortgage and Housing. It sets out very clearly with a very careful analysis what the impact in the price of a house today, what the effective tax rate in the price of a house today is and we have based the rebate program on this, taking into account the effective tax on a house today. It is on that basis that we feel that the impact on housing, quite unlike what the hon. member has just quoted, is going to be marginal one way or the other in most markets in the country.

• (1440)

We do acknowledge that in the city of Toronto and to a lesser extent, Vancouver, it is a somewhat larger amount but it is about 1-1/2 per cent of the price of a house.

Some Hon. Members: Hear, hear!

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I have a question for the Minister of Finance about his grief and suffering tax as well.

I have here a copy of a document that we obtained under the access to information legislation. This document says that the Treasury Board has approved spending in this fiscal year some $5.1 million to advertise the GST and another $2.5 million in the next fiscal year to advertise the GST.

How can he justify spending $7.6 million of the public's money to advertise a proposal that is a partisan proposal of the Conservative party when there is no bill before Parliament, no program passed by this House? It is only flagrant propaganda for the Conservative party. How can he justify that?

Mr. Wilson (Etobicoke Centre): First of all, Mr. Speaker, let me quote the member for Regina—Qu'Appelle. He said: "Our existing sales tax is a total mess. I do not have to be convinced that the sales tax regime which now exists is in need of reform. It is as I mentioned, very arbitrary and confusing". Clearly, the New Democratic Party and the government are in agreement that there must be reform of the sales tax system.

I can tell from the nodding that the Leader of the New Democratic Party agrees with the conclusion that I have just drawn.

Now, why are we budgeting moneys to make sure that Canadians understand what we are doing with this proposal? A year ago February the finance committee of the House of Commons went to New Zealand and one of the conclusions that they came back with was "make sure that you explain to the Canadian people why you are changing the sales tax system and how you are going to change that sales tax system". Mr. Speaker, that involves brochures. It involves advertising. It involves a wide range of the various tools that have been used by government from time to time to enhance the understanding of Canadians about government policy.

Mr. Nystrom: What I want to know, Mr. Speaker, is how the minister can justify spending $7.6 million of the public's money, of the taxpayers' money, on a proposition that has not even passed Parliament?

[*Translation*]

How can he justify spending as much as $800,000 for the ad that appeared on August 26, Mr. Speaker? Is the Progressive Conservative Party prepared to reimburse the Treasury for this expenditure?

[*English*]

Mr. Wilson (Etobicoke Centre): Mr. Speaker, governments for a number of years have used brochures; they have used technical papers; they have used a wide range of publicity tools in order to provide understanding and information to the Canadian public. What the hon. member has just held up is an advertisement which draws from the overview of the technical paper, which draws from the brochures that we have used to help Canadians understand this.

Mr. Tobin: Tory propaganda. Shameful!

Mr. Wilson (Etobicoke Centre): The members opposite are bleeding about this. Let me remind hon. members opposite that Liberal governments as well as Conservative governments have used brochures and other forms of material, with budgets, many, many times to do one thing: to make sure that Canadians understand what is the nature of budget policy. We are following the same process with our sales tax reform.

Some Hon. Members: Hear, hear!

Mrs. Diane Marleau (Sudbury): Mr. Speaker, my question is to the Minister of Finance. Last week we were told by the food services industry that the cost of restaurant meals and basic food services would increase by at least 8 per cent and that other foods would have little change in price.

Given that the average Canadian family spends 39 per cent of its food dollar on meals outside of the home, this means that the over-all impact of the goods and services tax will increase the price of food. Why does the Minister of Finance not come clean and admit to Canadians that the goods and service tax will increase the price of food?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, we have made quite clear that prepared foods such as would be served in restaurants will be subject to the tax. There is no surprise there. It is very clearly set out in the technical paper. But what we also said in the technical paper was that we were going to sit down and consult with the food industry to discuss with them whether the line between taxed and non-taxed foods should be based on the type of preparation, the type of foods they are, or whether it should be based on the establishment where the food is acquired. Those consultations still must continue and once they have been completed then we will have a response on that.

Mrs. Marleau: Mr. Speaker, the minister's own staff and his own department cannot tell us the definition of a basic grocery. Regardless of where the government decides to tax food based on where it is sold or what kind of food it is, there is no doubt that the tax will be unfair to Canadians and a nightmare for store owners. Will the minister agree to scrap the tax and come back with a proposal that is fair to all Canadians.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, we have considered all of these aspects and we have put the proposal to the Finance Committee. We believe very firmly, very strongly, that that proposal is a balanced proposal, a carefully calculated proposal, in terms of its impact on various people in society and that is why people have said that it is one of the fairest forms of a sales tax system that is available in the world today.

Mr. Lapierre: Who has said that?

Mr. Wilson (Etobicoke Centre): The hon. member says who. I just quoted someone who said that. There are many others too. I will give the hon. member more quotes.

* * *

FISHERIES

OVERFISHING ON GRAND BANKS

Mr. Fernand Robichaud (Beauséjour): Mr. Speaker, my question is addressed to the Prime Minister. This summer the Prime Minister, the Secretary of State for External Affairs, the Minister for International Trade and the Minister of Fisheries have all failed to convince the European Community to stop their overfishing on the nose and tail of the Grand Banks. Our fishermen are now without fish, stocks are depleted, workers are unemployed and plants are closing. How critical must the situation be for people in Atlantic Canada before this government takes decisive action to protect our fish stocks?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there is a very serious problem in the fishery in Atlantic Canada. That is why the government of Canada has entered into extraordinary negotiations with officials of the European Economic Community. That is why we have taken our case to NAFO, to the North Atlantic Fisheries Organization and where we have had some success in terms of quotas not with the European Economic Community, but with others. That is why the Prime Minister has established a committee which he has asked me to chair, to look into questions with relation to cod stocks and to also consider other questions in the fishery.

We have enjoyed, I might say, very constructive co-operation from provincial governments in Atlantic Canada who realize the seriousness of this matter and who realize that it is too serious to be treated as simply a matter of partisan accusation and debate.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): We are dealing here with a matter which goes to the heart of the livelihood of Atlantic Canada. That is recognized by provincial governments in Atlantic Canada. That is recognized by this government. That is why we are acting in ways that are unprecedented in Canada, and we hope to be able to make some progress.

Some Hon. Members: Hear, hear!

[*Translation*]

ATLANTIC ECONOMY—$1 BILLION SALVAGE PLAN

Mr. Fernand Robichaud (Beauséjour): Mr. Speaker, that is exactly what we want to do: protect the interests of the people of the Atlantic provinces. All sectors in the fisheries industry are stagnating. There is no more cod, no more lobster, there are no more markets for our herring, and fishermen and plant workers will not even be eligible for unemployment insurance. When a situation as serious as this occurs in any other sector of our economy, a rescue plan is brought in immediately. My question is: Where is the billion-dollar rescue plan mentioned by certain ministers last spring? How much longer do we have to wait for the billion dollars?

[*English*]

Where is the billion dollar program for the fisheries of Atlantic Canada. Where is it?

[*Translation*]

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there is a crisis, perhaps an unprecedented crisis, in the industry in the Atlantic Region. That is why the Canadian Government supports the initiatives, the steps that were not taken by any previous governement to cooperate with the industry, to cooperate with the provinces, to negotiate with the European Community, to seek a long-term solution to what is really a crisis. It is not a partisan issue; it is a matter of policy. It is a major crisis. It affects the lives of Canadian citizens in the Atlantic Region. It is an issue that we are taking seriously and I hope that the Hon. Members will offer us the same sort of cooperation that we received from the governments of the Atlantic Provinces.

* * *

[*English*]

FINANCE

PROPOSED GOODS AND SERVICES TAX

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, my question is directed to the Minister of State for Small Businesses.

In discussions with the Canadian Federation of Independent Business, the Canadian Organization of Small Business and other business persons throughout Canada it has become clear that small business is diametrically opposed to this goods and services tax. Why is that? Because it will be disastrous for them. Will the Minister of State for Small Business tell his government colleagues that this tax will be devastating for small business and will he tell them to withdraw and go back to the drawing board?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): No, Mr. Speaker, I will not tell my hon. colleagues this. I have been working with the small business community and the various organizations that speak for small business. I have been working with them from day one on this and they have asked for the following things: They have asked for help with the compliance costs. They have received that. They have got a capital cost allowance which gives them 100 per cent write-off in the first year. That is the first thing.

They have also asked for an exemption for small businesses and small traders. They have got that exemption for those who earn under $30,000 a year. Five hundred thousand small businesses will not have to participate in this tax. Small business organizations have also asked for streamlined accounting that is simple and straightforward. We should continue discussions on this. We have brought in two proposals in the technical paper for streamlined accounting. There are many other things that I could mention. Small business organizations have asked for these things. They have received it. The Hon. Member opposes everything and proposes nothing. We have got constructive proposals and we have acted on them.

Mr. Whittaker: Mr. Speaker, what this tax does is effectively turn every small business into a tax collector for Revenue Canada. It is forcing the small business community to carry the enormous burden of the financial administration and implementation. When is the minister going to listen to the community he is supposed to represent? When is he going to speak up for small business in Canada and demand his cabinet colleagues withdraw this tax?

Mr. Hockin: Well, Mr. Speaker, the first thing the small community understands is that if they ever elect an NDP government centuries from now the taxes will be so high there will be no small business.

Some Hon. Members: Hear, hear!

Mr. Speaker: Will the hon. minister complete his answer.

Mr. Hockin: Mr. Speaker, the hon. member raises a question of collection of the tax. Under the sales tax now, small businesses have to collect it. It is very biased and unfair the way it is applied. We are going to broaden the tax, lower the rate and simplify things.

But I also want to tell the hon. member that on the cash flow side for small business there are great improvements in this scheme under cash flow. I want to make this very clear to the House, that under this particular scheme you get your credits back on your inputs very, very quickly before you sell your inventory. That is a great improvement over the present method.

* * *

CANADA–U.S. FREE TRADE AGREEMENT

POSITION ON ADJUSTMENT PROGRAM

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I have a question for the Prime Minister.

Some Hon. Members: Leader, leader!

Mr. Axworthy (Winnipeg South Centre): The last thing I need is a Tory endorsement. I have a question for the Prime Minister if his members will allow him to answer.

I understand the fear and trembling of the Prime Minister over the tax pratfall by his Minister of Finance but I would like to draw attention to another serious economic problem and that is the unravelling of the free trade agreement. We have had the worst trade figures in 10 years. The regional subsidy program is being threatened by the pork decision; fishing is threatened by the west coast processing decision. We have serious dairy problems. We have just had 300 workers laid off that the Outboard Marine plant in Peterborough as a direct consequence of the free trade agreement.

I ask the Prime Minister, when is this government going to wake up? Does he understand there is a lot of human suffering being felt because of the free trade agreement. In particular, when does the Prime Minister intend to live up to the commitment he made seven months ago when he said that Canada would have the most massive, largest, best adjustment program? We have no adjustment program. I ask the Prime Minister, when will you live up to at least one of your promises?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I suppose that one way the opposition often measures the efficacy of government action in the economic field is by the job creation numbers. I think that still remains a fairly objective barometer. I know that my hon. friend, having predicted there would be serious job losses on January 1, will be pleased to know that since January of this year, 209,000 new jobs have been created in Canada—

Some Hon. Members: Hear, hear!

Mr. Mulroney: —and that 95 per cent of those jobs have been full time. That is very important for my hon. friend to remember, because in the previous Liberal government 89 per cent of jobs created under his administration were part time.

Some Hon. Members: Hear, hear!

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, I would like to ask the Prime Minister if he is prepared, because none of his ministers have been prepared so far, to give us the figures of how many high–paying industrial jobs for technically skilled workers of this country have been lost as a direct result of this government's programs and the free trade agreement. Will the Prime Minister gives us those figures? At the same time, will he also tell us how many more jobs will be lost as a result of the secret negotiations that are continuing on the accelerated tariffs where all kinds of companies are asking for new deals on the free trade agreement that will bring about more lay–offs, more closures of the kind that we experienced in Peterborough this weekend.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the hon. gentleman as usual is one election too late.

* * *

Here are just a couple of stories from the *Financial Post* of the weekend: "Signs point to trade upswing"; "Ontario's vintners confident they can thrive on free trade, surprised to discover that almost a year into free trade their sales are running ahead of 1988's. So far so good." That is Chateau des Charmes' manager and I hope the messenger is as charming as his report. The International Monetary Fund said that the free trade agreement, planned reforms to UI and the finance minister's proposed goods and services tax should help bring about a significant improvement in economic

performance over the long run. As well, new plant and equipment investment is up 13.6 per cent in all industry and up 27.9 per cent compared to last year in the manufacturing industry. Still the hon. gentleman weeps and moans and complains.

* * *

• (1500)

ATLANTIC CANADA OPPORTUNITIES AGENCY

CO-OPERATIVE AGREEMENTS

Mr. Peter L. McCreath (South Shore): Mr. Speaker, my question is for the minister responsible for the Atlantic Canada Opportunities Agency. Nova Scotians welcomed the announcement last Friday that three more co-operative agreements have now been signed with the province of Nova Scotia, for which I commend the minister. Notwithstanding the allegations made last spring by members opposite that there would be no money for co-operative agreements because of the reprofiling of ACOA, can the minister advise us that co-operative agreements have now been signed with all four Atlantic provinces? Can the minister tell us if he anticipates more agreements with Nova Scotia.

Some Hon. Members: The best question today.

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, the short answer is yes. I might say that we have made substantial progress in reaching co-operative agreements in all of the Atlantic provinces. Some have been signed, some will be signed soon and others are under negotiation. This is contrary to the gloomy prognostications that, as my colleague said, have been constantly made by the opposition.

Mr. Speaker: I should advise the House that pursuant to Standing Order 34(a), the House will now proceed with the daily routine of business until the completion of all items under Introduction of Government Bills, after which the House will proceed to Orders of the Day. Before that, I have to advise the House that I have a question of privilege from the Hon. Member for Skeena.

PRIVILEGE

HOUSEHOLDER OF MINISTER OF SUPPLY AND SERVICES – RECYCLED PAPER

Mr. Jim Fulton (Skeena): Mr. Speaker, my question of privilege relates to a press release in a householder provided to the offices of all members of parliament here on the Hill today from the Minister of Supply and Services. It is both false and contemptuous of the House. It says: "SSC minister's householder first to be printed on recycled paper. The Hon. Paul Dick, Minister of Supply and Services announced today that the latest edition of his constituency householder is the first MP householder to be printed on recycled paper."

Frankly, all of us should be very proud to see this. The problem is that it goes on to say: "As part of a pilot project launched co-operatively by the House of Commons and the Queen's Printer, the householders, newsletters sent to constituents from their Members of Parliament, have been printed on Canadian made de-inked recycled paper."

I have contacted the House of Commons distribution and printing. This recycled paper is not available to Members of Parliament. It has only been made available to the Minister of Supply and Services. In fact, the members of the Board of Internal Economy have not dealt with this issue. This press release goes on to say: "Approximately 900 householders are printed annually on behalf of the House of Commons, and using this format will result in a 30 per cent cost savings."

Again, it is very nice, but the minister has pointed out a variety of other falsehoods within the householder itself.

The point I would like to make is that this recycled paper, which is a good idea and I am sure is supported unanimously by the House of Commons, is not available for any other member to put out a householder. We cannot get it for letterhead, we cannot get it for our business cards and we cannot get it for anything else.

It is very good that the minister is promoting something that is environmentally sound, but as we in this place know, the kinds of services available on the Hill for

letters, householders, et cetera, must be available to all members of the House, not just to a minister of the Crown.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I just want to join in for a very brief moment to inform the House that on Friday last, I had asked my staff to submit my householder to the print shop in the Confederation Building. We were advised at that time that it was not possible for me to have it printed on recycled or non-bleached paper. We reconfirmed that at 12.55 today in a call to the print shop in the Confederation Building.

Hon. Paul Dick (Minister of Supply and Services): Mr. Speaker, I think it should be pointed out that over the last period of time, a number of members of Parliament have made inquiries as to whether or not they could have their printing done on recycled paper. A pilot project was undertaken. I used my own print plant to try that. We had to make sure that we could get the proper level of de-inked paper.

I am very pleased that we were able to find a source in East Angus in the province of Quebec. Cascade Paper Company has now provided that. We anticipate that this ability will be open to all members of Parliament who would like to use this. I am looking forward to that and I congratulate the other members of Parliament who made this application to use recycled paper. I know that many will want to use this in the future.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I believe the hon. minister has missed the point completely. The point is surely that if a householder printed by the House of Commons says in it that something is a policy that has been adopted by the House of Commons, namely that the document itself can be printed on recycled paper for anyone who wants it, which is not true, is, I would respectfully submit, contemptuous of the Board of Internal Economy of which you, Sir, are a member. On behalf of all of us, you are the chairman and the custodian of our rights in that regard.

If the Minister wants to say that his own department made a special try-out in order to see whether or not his householder can be printed on recycled paper, that is fine. He has the right to say that. He is the Minister of Supply and Services. Of course, we could demand at that point to receive equal treatment. Because he is the Minister of Supply and Services does not, however, give him the right to pretend that something is a policy when it is not. In that regard, I believe that the document printed under the name of the Minister of Supply and Services, printed under the auspices of this Parliament, was done in a manner which is inappropriate.

I would ask that you, Sir, and the Board of Internal Economy examine this and report to the House as to whether or not the minister has abused his privileges in making that kind of a claim and to ensure that if such a policy is going to be the policy, then all members be notified of it and, of course, more fundamentally, that it be true.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, we do not want to argue with the minister's intention to conduct a pilot study to encourage all members of Parliament to use unbleached letterhead or recycled paper. The point that my hon. friend from Skeena made was that this was a householder, a member's householder. In the letter to his constituents, the minister points out that this is in fact a pilot study and that he plans to encourage all members of Parliament to do the same as him. We cannot do the same.

As you have heard, members of Parliament who have wanted to do this cannot do this. Presumably the Minister of Supply and Services is in a position to enact a policy to enable us to do this. To suggest that this is something that any member of Parliament could have done had he or she wished is mis-stating the fact. The important thing is that this is a householder and if the householder is going to be made available on recycled paper, surely it is in the interests of all of us who will want to do that to have our next householder published using such paper.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I do not want to recycle an old argument. In this particular case, the reason I would like to speak to the issue of the householder is that I think we should give credit where credit is due. Undoubtedly, the Minister of Supply and Services wants to latch on to what is a very good idea. I think he should have at least acknowledged the fact that the reason for this was that the Speaker of the House of Commons, in a non-partisan fashion last spring, upon consultation with the Environment Committee, moved to make the House of Commons an environmentally friendly place.

• (1510)

One of the things that the Speaker did—and since he cannot speak for himself, I will speak on his behalf—was to write to Supply and Services and ask if it would please change its insane policy of not making environmentally friendly products, including recycled paper available. I am glad the minister has got the word out via his householder. Certainly the claim he makes in the House may not stand up to the light of day. It may be transparent and bleached white.

However, I think it should be pointed out for the benefit of all in the House and in the country that the person who is really moving to make this Parliament an environmentally friendly place is the Speaker of the House of Commons, and for that he should be getting the credit and we should be getting off our partisan high horses.

Some Hon. Members: Hear, hear!

Mr. Speaker: I naturally thank the hon. member for Hamilton East for her very cogent intervention.

Some Hon. Members: Hear, hear!

Mr. Speaker: There are other members seeking the floor, but I do not know whether I dare, after that, let anybody take away from the stirring phrases which all members of the House have heard.

I will take this matter under advisement and report back to the House as soon as possible.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, I rose on the point of order prior to other speakers, and I guess it was just an oversight on your part that you did not recognize me.

On the same point of order, prior to seeing the minister's householder, I advised my staff to check to see whether or not our next householder, which is going to print very soon, could be printed on recycled paper and we were told yes. Today I hear that that is not so. Therefore, it would be of great help if we could get a clear answer very quickly as to whether we can use this paper. The same privileges should be extended to all members of this House, not only to the Minister of Supply and Services.

Mr. Speaker: I apologize to the Hon. Member for Parkdale—High Park. I did not realize he was rising on that point of order. I thank the hon. member for his intervention.

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S-5, an Act to authorize the Safeguard Life Assurance Company to be continued as a corporation under the laws of the Province of Quebec, to which the concurrence of this House is desired.

ROUTINE PROCEEDINGS

[*English*]

ORDER IN COUNCIL

TABLING OF APPOINTMENTS

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to table in both official languages a number of Order in Council appointments which were made by the government. Pursuant to the provisions of Standing Order 110(1), these are deemed referred to the appropriate standing committees, a list of which is attached.

* * *

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I wish to table the Government's response to petitions. I will not read the numbers because the list is obviously fairly extensive. There are some 400 petitions, and I would be happy to table them.

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

GOVERNMENT ORDERS

[*English*]

DEPARTMENT OF FORESTRY

MEASURE TO ENACT

Hon. Frank Oberle (for the Prime Minister) moved that Bill C-29, an Act to establish the Department of Forestry, to amend the Forestry Development and Research Act and to make related amendments to other Acts, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, I am of course very pleased to be able today to begin the second reading debate on Bill C-29, the bill which establishes a federal Department of forestry.

The introduction of this bill today as the first item of business is perhaps a statement of the importance that our government attaches to forestry generally and in all its manifestations.

This is not entirely an historic event. Perhaps it should be pointed out that in fact what I am doing here this afternoon is not new. In June 1960, the then Prime Minister, the Right Hon. John George Diefenbaker, rose in the House to introduce a similar bill which also established a federal department of forestry. He said at the time that if we are to increase our production and if forest devastation is to be overcome, research will be needed.

On July 11, 1960, 29 years ago, the House gave second and third readings to the bill which was, incidentally, passed unanimously. Royal Assent was given on August 1, and almost 29 years ago to the day, on October 1, the bill was proclaimed and the department began functioning.

Forestry was not a partisan issue then and ought not to be today. That is perhaps another reason why it is introduced as the first item of business. It is intended to establish the atmosphere that will be required by this House over the next few months as we deal with other equally important and critical issues.

Nevertheless, it is instructive to review what happened subsequently, since I assume that some of my opposition critics will be responding to what I am saying. The Right Hon. Lester B. Pearson spoke strongly in favour of the bill in 1960. He said that there can be no question about the importance to this country of forestry and the forest industries, or indeed of the desirability of the government doing everything it can to support and strengthen that industry. Yet, tragically, six years later when he was Prime Minister, he and his ministers began to plan the demise of the new department of forestry, and they effected the near demise of the once proud Canadian forestry service.

It started by moving forestry to a new department called rural development. I suppose that set in motion the kind of attitude that you and I, Mr. Speaker, found when we came here in the early 1970s; namely, that forestry was an activity like agriculture, that it was a sort of rural unsophisticated kind of endeavour, that it ought to be transferred to the Third World and that we were, after all, a nation in search of a much more modern image, so forestry needed to be relegated to something else.

In 1968 it was shunted off to the department of fisheries and forestry. Finally, two years after that, in 1971, forestry disappeared altogether into the bowels of a newly formed Department of the Environment. In the years that followed, 50 per cent of the entire person-year strength of the Canadian forestry service was phased out. I will speak a bit about the earlier history of the Canadian forestry service and forestry generally, but this more recent history is important to place in proper context what I am sure my friends in the opposition will be saying here today.

There is little to record in the way of forest management in Canada up to the time of Confederation. Shortly thereafter, a forest conservation movement began to organize itself in our country. The forests of eastern Canada were being subjected to devastating misuse, and these are words that were used by some eminent spokesmen of the time. By 1883, the loss of beech, maple, oak and basswood was so shocking that the Ontario government commissioned a report entitled "The Necessity of Preserving and Replanting Forests". John Croumbie Brown wrote in 1884 about the injurious effects on the Canadian climate which he attributed to the excessive clearing of our forests.

• (1520)

In the same decade a century ago, William Saunders was advocating reforestation, warning of the disastrous consequences of a dearth of timber in Canada. He said it would be difficult to describe. Saunders said that at first sight, forests appeared to the settlers of a wooded country as obstacles to advancing civilization, to be removed as rapidly as possible, with unwearied zeal and persistence in the use of the axe and fire to remove these encumbrances at a rapid pace.

Saunders described in eloquent terms 110 years ago what now seems to be clear to everyone. He described the effects of deforestation. Shelter against storm is lost, he said, temperature and moisture are not moderated and the air is not purified. Winds are not arrested, forests exercise a governing and conservative influence

on the humidity of the atmosphere, and of course, forests therefore influence rainfalls.

These voices, Mr. Speaker, as you and I both know, seemed slow to be heard. Heavy cutting had taken place for nearly a century before Canada's first forestry congress was called in 1906. It was at about that time as well that the University of New Brunswick and the University of Toronto established their first forestry schools.

In 1907 in British Columbia, the Hon. Frederick Fulton, who was incidentally the father of the Hon. Davey Fulton who carved such an important niche for himself in this place, was appointed to the royal commission on the conservation of our forests.

The reason for this slow progress was explained in more recent time by H. R. MacMillan, one of the great foresters of Canada, in an address that he gave on the fiftieth anniversary of the founding of the faculty of forestry at the University of Toronto. He said that Canadians still believe today that the forest is inexhaustible and self-perpetuating. It is expected to continue automatically performing its role as inevitably, as cheaply and as dependably as the tides. Canadians do not yet fully recognize that the forest as a crop is continuously most productive only if there is investment in silvicultural management.

Well, Mr. Speaker, you would agree that it is important that these facts be seen in light of the history of the Canadian forest products industry. Industry began, of course, at the earliest time of our history in Canada. The early settlers needed trees to build their homes and their barns and then made masts and timbers for sailing ships.

Our modern industry began writing its history perhaps back in 1803 when the first Canadian newsprint was made in Quebec. Groundwood paper was made for the first time in the western hemisphere in Halifax in 1841. In 1864, soda pulp was being made in Sherbrooke. The year before confederation, Canada's first groundwood pulp mill was erected in Valleyfield. Up to this point, all that happened, of course, without anyone giving any thought to forest management.

Perhaps it can be said that any government relation to forestry had its beginning on July 24, 1899, when an Order in Council created the post of Chief Inspector of Timber and Forestry. That was the first evidence of any federal initiative in this important area.

That modest move was the forerunner of the Canadian forestry service. The chief inspector called a meeting in 1900, the turn of the century, a meeting which gave birth to the Canadian Forestry Association which still thrives today. I know that you would agree, Mr. Speaker, that if anyone deserves credit for what we are doing here today from outside this place, it is the Canadian Forestry Association. Throughout our country, it carries on youth programs, and I want to attest to the fact that I have received no better advice and no better counsel from anyone than my friends in the Canadian Forestry Association.

The next milestone in Canadian forest history, I suppose, came during the Second World War when forestry matters across Canada came under the so-called federal timber control board. In 1949 the Canadian Forestry Act was passed. In 1955 we hosted a Commonwealth Conference on Resources which gave impetus and produced a call for urgent action, a call, which of course, as I already said, the then Prime Minister, Mr. Diefenbaker, answered in 1960.

I think there is hardly an argument that it is once again time to address this important issue of giving forestry in Canada the attention it must be given, the attention it merits, as a driving force in Canada's economic, social, environmental and ecological future.

We can no longer be complacent and feel that Canada is somehow exempt from events which have devastated other nations that did not manage their forests properly. In fact, the history of some nations is often the history of their forests. Fertile lands in the Middle East, flowing, as it is said in Biblical poesy, with milk and honey and favoured with a pleasant climate, were stripped of their forests. It did not take long before life-giving rivers became insignificant streams and valleys were washed away leaving an arid and a desolate land.

A similar fate hit portions of Sicily, Greece, Italy and Spain, to name but a few. Even in central Europe, there were threats. In the 1600s a Frenchman by the name of Colbert cried that France would be lost if the forests were not saved. *"France perira en faute des Bois,"* he cried. France passed the celebrated Forest Ordinance Act in 1669, an Act which was so far-sighted that every modern

system of scientific forest management shows signs of its influence.

Will we have to suffer from failure to learn these lessons of history? Will we here give added weight to Hegel's maxim, we learn from history that we learn nothing from it? Well, Sir, I say not. Looking around the world today, one cannot be entirely sure. Just listen to this. During the last 10 years, the area of our planet which was populated by trees has been reduced from 25 per cent to just over 20 per cent, in just 10 years. If these trends are not arrested and reversed, our children will ask why we permitted their lives to be jeopardized by our failure to protect our forests which sustain our lives.

Those who understand global ecology understand that our planet cannot survive itself nor can it sustain the life which we enjoy without our forests being in good health. That is what this bill before us is all about.

The bill before us would require the minister to report to Parliament annually on the state of Canadian forests. Having reviewed the history, and contemplating a situation where today I would have to make such a report, I would have cause for concern. At the same time, I would be able to report significant progress in the steps that we have already taken to put things right.

I could report that forests occupy 40 per cent of the entire Canadian landscape. They are stocked by 130-odd different species of trees of which about 30 or so different species have any kind of commercial value. Below the 60th parallel, in fact, the total area stocked with trees is 68 per cent. Only about 60 per cent of that land base is capable of producing any kind of commercial timber and only 85 per cent of that, through our best records that we have today, would be economically accessible or would lend itself to industrial conversion.

• (1530)

Canada's forests represent 8 to 10 per cent of the entire forest reserves in the world, some 864 billion cubic feet of wood and fibre. Although on the one hand this appears to be a considerable resource my report would also have to include the fact that not sufficient care was taken so far to make sure that all of the areas that we have harvested over time have been properly restocked. As a result, in some regions of our country we are experiencing shortages of raw materials today, something, incidentally, Mr. Speaker, that I predicted in my publication in 1983 to happen within this period of time.

About 7.5 million hectares of productive land is not properly restocked and we have been, over the last few years, adding to this backlog at the rate of about 300,000 additional hectares every year. In the past we would have relied mainly on natural regeneration and, of course, that worked. We were careful, I know in our province, in leaving seed blocks to allow natural regeneration to take place and it all depends on the rate of cutting and the rate of conversion to allow nature to do this work for us.

But I can tell you, Mr. Speaker, that at the rate that we are cutting today, the way we are allocating our fibre, our only hope of a solid future is to practise more intensive forest management based on sound silviculture practices taking into account ecological and environmental concerns and other non-timber values which are becoming so important to most Canadians. That again is what this bill is all about.

It is a further step in the process which we began five years ago to return to traditional, conservative practices of exercising custodial responsibility, not only on behalf of future generations of Canadians and our own children but also in a global sense. I alluded to that earlier. Naturally it has to be recognized the provinces have an exclusive right to own and to administer the forests which are located on public property within their boundaries, and this is clearly laid out in section 92(5) of the Constitution Act.

Mr. Diefenbaker recognized this as well in 1960 when he said, "Not for a moment would I countenance any interference or invasion in the constitutional responsibility of the provinces". But we can respect provincial jurisdiction and have a federal act and a federal role in forestry as well. In fact, I say that it is critically important that we do because diminishing forests in any region of our country affects the health of all of us.

So initially we worked, of course, to establish the necessary partnership with our provincial colleagues together with the important linkages and the strategic alliances that were necessary with the private sector, private woodlot owners and the industry. We offered our resources, we offered our national perspective, we of-

fered our international contacts and we offered leadership.

From this position we can reconcile and manage all aspects of our forest heritage, be they industrial, environmental or social. We entered into forest resource development agreements with the provinces which were designed to begin the costly and painful transition to much more intensive management of Canada's forests. These agreements called for long-term planning and forecasting for the production of better data using the very latest in geographical information systems. And this is where the federal government can play an important role because we cannot have every province equipped with a satellite that would send back important data or high altitude remote sensing facilities.

The agreements established principles and they established targets. These targets are consistent with new environmental standards, they are consistent with new ethics and they are consistent with some of the new demands the Canadian public is making on our forests. Of course they are based on the overriding principle which we now call the concept of sustainable development.

Over $1 billion, Sir, was spent during this initial period. Thousands of jobs were created; satisfying, rewarding jobs. Do you know that we discovered that silviculture and forest farming is in itself a very exciting, highly productive and wealth generating industry? Hundreds of businesses throughout our country were created. Contractors did the silviculture work for integrated businesses and for provincial governments.

We have achieved impressive results, results in improving our forest inventory. Equally as important are results which can be measured in terms of more enlightened public and more enlightened corporate attitudes, attitudes which we now hear expressed every day. As we all know, the environment is now the key issue and the first priority that Canadians have identified for us.

Perhaps, Mr. Speaker, we will see the best demonstration of the reflection of these kinds of attitudes right here in this place after I sit down. The opposition will get up to berate us for not doing more, scold us for not establishing another stronger mandate for the new minister of forests, demand that we spend even more on forestry than we do now or than we intend to spend in the future.

As I said, this is reflective of the new attitudes toward forestry that Canadians are expressing. Of course, Sir, I can say to them in return how happy I am that belatedly both the opposition parties have discovered their interests in forestry. I can also say how sad I am that we have wasted all those years when governments and administrations previous to ours made it a practice to play fast, loose and liberal with Canada's most precious heritage.

It is perhaps a coincidence of history, or perhaps there is some significance to the fact, that when the department was established in 1960 there were prospects that the Canadian industry could double its production in 15 years .That would be by the year 1975. Of course, always having been a strong Conservative, Mr. Diefenbaker's predictions were too conservative because the industry did much more than double its output in that time.

The coincidence or significance is that Canada faces the same opportunities, the same challenges and the same prospects today. As you know, my department has just published a report that gives an outlook to the year 2010. World pulp consumption is expected to increase by over 60 per cent in the next 20 years. Canada's forest industry has a clear opportunity to double its output of paper and paper board, high value added products. By the year 2010 all of this is possible to meet the anticipated increases in global consumption.

Now, Sir, that would put our paper exports alone well over $30 billion annually. This is nothing less than spectacular, particularly when one considers that already our forest products industry sustains a $30 billion to $40 billion a year manufacturing sector which contributes over $18 billion a year to our balance of trade.

Just contemplate this; compared to the total of Canadian exports to Britain our forest products to the United States are seven times greater. Our exports to the United States alone are 15 times greater than all our exports to France, and they are about equal to the total of all Canadian exports to all of the rest of the world. Thirty per cent of pulp and paper sold internationally comes from Canada and so does 22 per cent of the world's solid wood manufactured products. Forest products as a whole make up 30 per cent of the value of Canada's shipments to other countries. In fact, the forest products sector contributes more to our positive balance

of trade than does the combination of agriculture, mining, fishing and energy.

• (1540)

All this activity supports some 350 cities and towns throughout our country. Whole regions of the country depend on this industry, having less of an opportunity to strive for a more diversified economy. Expanded markets and intensive management offer the exciting potential of new employment opportunities for hundreds of thousands of Canadian workers. But, Sir, there will, of course, be new pressures and new demands which the industry will be placing on the available fibre. There will be more demands for feed stock for an industry which is already among the most efficient in the world.

These demands will be strong because we want to capture these new opportunities, these new markets and create these new jobs. Dealing with these demands today against the new demands which will have to be met, which are even more insistent, more imperative and more compelling, will be very hard, and I speak here, of course, of the demands that the environmental movement is making.

Until now the industries using trees have held primary claim to our vast resources, but it is no longer a matter between industry and the trees. Forest users are being held accountable today for the environmental effects of their own operations. They are having to share the forests more and more with other users and to take into account the impact which their forest operations have upon the environment. A multi-billion dollar tourism sector is supported by our forests.

I only cite these facts to point to the tremendous pressures which our forests must face, not only to maintain the strong contributions, but in addition to respond to new demands, new opportunities, and to do so meeting higher standards.

Now how are we to cope with these pressures? How are we to take advantage? What choices are we to make and how do we cash in on these opportunities? Well, hon. members would have discovered this morning when they came to work that they had a blue basket next to their desk. We had an argument just before I started to speak, about recycled paper. We have to find the best of all of these ideas to stretch the resource. The industry has to adjust to more value-added products, increase and broaden the milieu of their products which are sold throughout the world so that they can get the proper returns and pay for the costs that are associated with getting into intensive silviculture.

Well again, Sir, this is what this bill is all about. The bill before the House calls for expanded forest research. Now research has always been, as you know, a federal responsibility. We fund almost all the research that goes on in universities. My department has six research stations which have earned themselves a reputation throughout the world, and they are strategically located throughout the country.

We intend to give the research we are doing new direction. The first thrust, of course, would have to be in technology transfer, more site-specific research, transferring the ideas to the field. Our research would have to concentrate, particularly in the universities and in other centres, on the area of the environment, creating and producing new products, organic products that will help us replace in the forests the harmful agents which we had to use in the past to spray against insects and disease. Our research will be targeted at improving the efficiency of our mills, increase their utilization and the utilization of the resource. And of course, as we all know, some of these efforts are already under way. We are building a new foreign tech centre at the University of British Columbia and we are contributing to that facility in a respectable manner.

Other mandates in the 1960 bill are once again introduced here in order to promote development of national principles and policies for forest conservation. Another one is to generate federal-provincial co-operation in forestry and I have talked about that.

Finally, the bill calls for the new department to educate and to inform Canadians so that public opinion will support integrated balanced forest management of the highest order. This is a very important aspect of the work that I anticipate doing in the coming months because, unfortunately and tragically, public opinion is misinformed and some of the public attitudes are formed from a basis of poor information.

The experience in other countries shows that such kind of management regimes I have outlined could produce much higher yields and much higher earnings for our industry. In fact, in some areas of the United States, and in Sweden and Scandinavian countries generally, well-managed commercial forests produce up to three times more the volume of fibre from a certain area of land.

I should point out here that in the United States and Sweden it is the practice to engage one professional forester for every 15,000 hectares of forest land while in Canada we have one for every 450,000 hectares of forest land. That points to yet another urgent necessity; the training of highly qualified people and the experts we will require to do the work.

This is something the opposition might like to keep in mind, particularly those people who always thought that all we have to do is throw money at a problem and it will go away. Even if we did have $5 billion to do the work which perhaps needs to be done on the forests, we would not have the people who could direct this work properly. Money is not a good nutrient by itself. In fact, when the Liberals managed our money it was biodegradable but that didn't make it a nutrient for our forests.

In the manifesto which I published in 1983 entitled "A Green Ghetto" I promoted the concept of putting more emphasis on private management of small woodlots. I promoted the concept of community forests, and I hope that the new department, together with the provinces, can give impetus to that objective as well.

The fact is that it will take the combined efforts of private and public sectors, federal and provincial governments, universities and labour, the mobilization of a national thrust and a national commitment to meet the challenges of simultaneously increasing the annual allowable cut for our industry—and some say it can be doubled with intensive management— supplying more fibre for the industry so that they can meet the opportunities and challenges that offer themselves in the national market-places, regenerating the forests, accommodating new demands for multiple use, even setting aside pristine areas for wilderness preserves, and doing all this in an environmentally sound way.

Provinces, I can report today, are spending more. Nine of the ten provinces today spend more on silviculture and forest management than they take in as revenue from the forests. They need our help and I am here to commit our help to them.

In some parts of our country it will take some time for us to correct the sins that we have inflicted upon our forests in the past. There are some regions in the country where it is too late. In most of Canada, particularly in my part of British Columbia and the west generally, we have the good fortune of being able to exercise all of the options that are still available and cash in on all the exciting opportunities. But we also must exercise strong federal leadership, particularly in developing and implementing creative national strategies which sense new trends, respond to new standards, meet strong challenges and realize attractive opportunities. As we deal with these realities in keeping Canada healthy we must be conscious of a rapidly shrinking globe. Every 10 years 100 million new souls are added to the population base of the planet; that is a new Mexico, a new Bangladesh every year. All of these people will be putting their demands on the scarce resources that are available.

• (1550)

Our Prime Minister has emphasized that all our national policies and strategies should henceforth be built on the principles of sustainable development. If there is any sector which lends itself to sustainable development it is forestry. We can exercise world leaderhsip with a policy framework designed to meet the requirements of our own generation without depriving future generations of the opportunity to meet theirs.

So, Sir, I invite my friends opposite, and I invite all Canadians, to join us in mounting the effort and the thrust which is required to meet all the objectives in Canadian forestry. And I ask the opposition to join me in giving this Bill passage, in correcting the sins of the past that led to the demise of a department in the past. To do that we will need a federal department of forestry which is described in this bill. Again I ask this House to give this legislation speedy passage.

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, the forestry minister told us that his new department will give the forest industry the cabinet clout it deserves. Not only does he believe that it will provide national leadership in the development and co-ordination of forest policies and programs, he actually thinks

that it will help him promote sustainable development and that it will help him conduct the research and development that the forest sector needs and deserves. I only hope it will.

The minister also went on to tell us that it was first on the Order Paper today and, as such, that is how important it was to the government. He also went on to give us a history lesson. The only problem with it, Mr. Speaker, is that he stopped a little short. History goes a little further than that. He forgot to tell us the history of the Wilson Budget last spring. I am going to tell you that history right now Mr. Minister and Mr. Speaker.

Last spring the Budget presented by Wilson cut the forestry department. Does a budget reduction of $28 million raise forestry's profile, I ask you, Mr. Speaker? Definitely not. Does a minister running to other departments to beg for money to fund the foresty development agreements confirm the sector's profile? Definitely not .Does a reduction of 47 person-years help the forestry department fulfil its mandate? Definitely not.

[*Translation*]

Mr. Speaker, it is very difficult to believe that the Government is serious when dealing with the forest industry. The Department of Forestry suffered an 11.9 per cent cut in the budget 1989-90 while natural resource based programs have received increases. On the other hand, the staff of this very department has suffered a reduction of 47 person-years. Moreover, the Department has no control over the agreements concerning forest development. This is not a department which I would call very vigourous.

[*English*]

Canada needs a strong forestry department, there is no doubt about it. Although the Constitution grants provincial legislatures the exclusive power to manage and tax their public lands and forests, a strong federal presence is needed to provide leadership and service in many important areas such as regional forest resource development agreements, market enhancement, international trade intelligence, policy analysis, support of national forest research interests, statistics, pollution control, conservation, parks, recreation and public awareness.

Unfortunately, Mr. Speaker, this bill does not provide the forestry sector with the representation it deserves. It is nothing more than a cosmetic and superficial move. Some people would probably say, "Where's the beef?"

The government is creating a forestry department yet it is reducing its resources. In fact, this new department is the only natural resource-based program to have seen its budget dwindle. Forestry suffered an 11.9 per cent cut in the 1989-90 budget while all other programs that are based on natural resources grew. For instance, the environment department grew by 9.4 per cent; energy, mines and resources received a 22.9 per cent increase; fisheries and oceans had its budget raised by 6 per cent, and agriculture received a 21.5 per cent increase.

Why the double standard? The minister tells us today that his government puts an importance on forestry. That is the only sector based on natural resources that was cut. Why the double standard? Why does the government claim that it will be doing more for forestry when it is actually doing less?

Forestry deserves better. It is the industry on which much of our country was built. It has been the backbone of our economy. To this day it remains a cornerstone of our country as well. The importance of the forestry sector to Canada's economy is undeniable. Canada has 4.36 million square kilometers of forest, or approximately 176 square meters of forest for each of our 25 million inhabitants. Its forested territory is more than twice the size of the European Economic Community, nearly double the surface of Mexico, and it accounts for 15 per cent of the earth's woodlands.

The industry employs nearly 300,000 people directly and approximately 750,000 others indirectly including railworkers, truck drivers, and machinery operators that are employed by associated industries. Last year productive forest lands yielded more than $30 billion in the value of goods shipped. One out of every seven manufacturing dollars in Canada is forest-related and the sector contributes more than $17 billion to Canada's net trade balance which exceeds a net trade balance from agriculture, fisheries and mining combined.

Forestry is larger than the auto and petroleum sectors. Moreover, the foreign and domestic sales of forest products means close to $25 billion annually in trade for our country. On top of that Canada has the second largest stock of softwood in the world, after the U.S.S.R. It is the third largest producer of softwood after the

United States and the U.S.S.R., and it is the largest world exporter of lumber products. It produces one-third of pulp exports and 63 per cent of all newsprint.

[*Translation*]

Because of the major contribution of the forest industry to the Canadian economy, the government should demonstrate much more leadership in promoting and enhancing the development and health of this industry. But this bill provides the Minister of Forestry with no power or weight, since he has to beg for money to find the forestry development agreements by running to other federal departments and agencies. As to the agreements concerning Quebec and Ontario, he must call upon the Department of Industry, Science and Technology. As to the agreements concerning Western Canada, he must seek funds from the Minister responsible for the Western Diversification Agency. In the case of the Atlantic provinces, he must beg for money from the department responsible for the Atlantic Canada Opportunities Agency.

Mr. Speaker, I ask you again, can this new Department have give the forest industry the importance it deserves? Mr. Speaker, the federal-provincial forestry agreements expired on March 30 of this year in Nova Scotia, New Brunswick, Ontario, Manitoba, Saskatchewan and Alberta.

On the other hand, next March 30, the agreements with Newfoundland, Quebec and British Columbia will also expire.

It is inconceivable that a government which claims to support the forest industry should allow such a situation to exist. To date, only one agreement has been renegociated. Yet, such agreements are vital for the future of our Canadian forests.

• (1600)

[*English*]

Forestry agreements have provided more than $1.1 billion for forest renewal and management activities since 1983. More than 50 per cent of this funding comes under the federal government. These agreements have helped to increase Canadian forest management activities by providing the resources to promote site preparation, tree planting and tending of stands.

The agreements have had resounding success. In 1977, for example, their treatments were applied to 350,000 hectares, and by 1987 this figure nearly tripled to more than 1 million hectares.

Moreover, the agreements fund many related activities. Approximately $70 million has been provided to sponsor forest research and technology transfer in areas including control of forest pests, silviculture, timber supply modelling, forest inventory and tree improvement. For instance, the agreement with the province of Alberta has been very successful in developing new products and uses for species commonly thought of as useless, particularly poplar and aspen.

The agreements have also helped create the Maniwaki Technology Transfer Centre in Quebec which disseminates fire research information and technology.

In most other provinces the agreements have promoted the use of computer-based geographic information systems. Moreover, forest seedling nursery facilities have been improved considerably. Funds have also been dedicated to national and regional public awareness.

In 1987, the Canadian Council of Forest Ministers issued a document entitled the National Forest Sector Strategy for Canada. This called for the improvement and continuation of the forestry agreements, these very agreements I just finished speaking about.

In fact, the 1988 implementation progress report pertaining to the 34 recommendations of this very same strategy clearly outlined that the provinces, territories and industries strongly urged the federal government to renew the forest resource development agreements. However, and this is a very crucial fact, in determining the future of our resource, the progress report determined that the federal government was not very strongly committed to establishing a second round of forestry agreements. They were not seriously committed.

As you and my hon. colleagues will appreciate, Mr. Speaker, forest renewal necessitates a long-term commitment since programs cannot be sustained without continuity. For instance, the reforestation stage may take up to 10 years. Obviously, five year commitments are a

beginning, but a more comprehensive and pervasive strategy needs to be implemented.

The federal government must take the upper hand in order to ensure that forest resource development becomes the cornerstone of the forest industry in Canada. Agreements in the future must continue to promote and ensure the health of Canada's forests for all concerned.

Moreover, the agreements must ensure that the resource is sustained. The Canadian Institute of Forestry has said that forest renewal must remain the essential element of future agreements, and that the federal government should ensure that funding is available for forest inventory and land classification, multiple-use management, forest research and technology, transfer and public awareness. Funding must not only be made available to promote sound management practices on provincial and Crown land, but also for private lands as well as aboriginal lands and municipal lands.

[*Translation*]

Since this legislation does not give the Department any financial control over federal-provincial agreements, the new department will certainly not be in a position to coordinate the application of these valid methods across Canada in order to improve and increase our resources.

Mr. Speaker, we all know that in the past, forestry methods have had a serious negative impact on Canada's forests, and that the Government needs a department with sufficient clout to do something about this problem. Since our forests were first put to commercial use, they have been exploited mercilessly. Canada is now facing a very serious timber shortage.

One of the objectives of our federal-provincial agreements is to reduce the number of forests that are not satisfactorily restocked. The Government's statistics confirm there is a problem in this area.

The number of lands that are not adequately reforested continues to grow.

Mr. Speaker, Canada's forests, formerly considered to be an unending resource, are disappearing at an alarming rate. According to statistics published in 1985 by the Royal Commission of Inquiry on the Economic Union, approximately 25 million hectares of land formerly covered with abundant forests now lie bare, and between 25 and 50 per cent of the 770,000 hectares of forest cut each year does not regenerate.

[*English*]

The urgency of dealing with Canada's timber supply problem becomes apparent when we consider that world consumption on paper and paperboard, wood-based panels and lumber is expected to increase substantially within the next 20 years.

Surprisingly enough, the Canadian Forestry Service commissioned a study, the Wood-Reed report, designed to forecast the performance and output of the forestry sector over the next 20 years, which neither addressed the environmental ramifications of forestry practices in Canada nor the urgent necessity of implementing adequate reforestation. All it mentioned was that the forestry industry's output would increase over the next 20 years. That is all fine and dandy. However, if we continue with the present rate of harvesting, there will be no usable wood supply left in the next 20 years.

Consultation involving the federal government and many groups involved in forestry has taken place over the last few years concerning such issues as timber supply and market potential, as well as research and manpower issues and needs. The urgency of forest renewal and a formulation of new forest strategy has also played a great part in these discussions. The basis of these consultations pertains to the application of intensive forest management, with the federal government being urged to provide the leadership necessary for permitting Canada to remain competitive in the forest industry.

The only means to improve our sorry record in the forestry area is through the implementation of intensive forest management. This form of management needs a strong hand at the helm, which means that the federal government could do more for this vital sector. Experience suggests that gains of between 50 per cent and 100 per cent in wood volume can be obtained by applying intensive forest management practices, including improved site preparation, the use of genetically superior planting stock, fast and efficient planting after harvest or natural loss, thinning, fertilization and weed control.

If intensive forest management is to be practised in Canada, the Department of Forestry must exercise a much stronger role in co-ordinating, managing, controlling and implementing the forest resource development agreements.

At present, intensive forest management is not being strongly encouraged. Only one of the six forestry agreements which expired in March has been renewed. This has caused numerous headaches for the provincial reforestation programs which have had to cut back and eliminate replanting programs. Some provinces have even had to destroy or have come very close to destroying their seedlings because of flaccid commitment by the federal government.

[*Translation*]

The Liberal Party supports the renewal of federal-provincial forestry agreements. We urge the federal Government to transfer control over these agreements to the Minister of State (Forestry) (Mr. Oberle). Quite frankly, the forestry sector needs strong representation within Cabinet, not just cosmetic representation. Furthermore, if the Government takes the trouble to create a department of forestry, it should be given the necessary resources instead of having its budget cut.

• (1610)

[*English*]

The government claims that it is providing the forestry sector with the leadership it needs, but its words and actions do not necessarily correspond. Last May, the forestry minister indicated during a meeting of the Standing Committee on Forestry and Fisheries that his government will be reducing its share of the federal-provincial forest resource development agreements.

Canada's forestry sector is at the crossroads. It can continue with present harvesting techniques and witness the depletion of its timber supply, or it can ask its government to take the lead by providing it with a strong department complete with the manpower, financial resources and the resolve to repair the damage already inflicted upon the environment. This needs courage, it needs commitment and determination on the part of the federal government.

However, the budget papers tabled by the Minister of Finance show a drop from $1.4 billion for regional development spending during the current fiscal year to about $1 billion annually for the next four years. That is hardly the courage, the commitment and the determination needed to ensure Canada's future.

Everybody agrees that the forestry sector needs to be improved if it is to remain competitive with the rest of the world. According to the Auditor General's report, three considerations directly affect decisions involving investment in reforestation. First, the vastness and great dispersal of the forest demand necessitates large expenditures for forest management. Second, federal investment in forestry usually also involves the provinces. Third, the growing cycle for mature forests involves a time span of between 40 to 80 years. If the government claims that it wants to take the lead in the forestry sector, then its decision to manage and invest in forestry must reflect a commitment to a long term view of the resource.

Not only is the government's commitment to forestry agreements somewhat shaky, current program planning and delivery procedures do not ensure that funds are being spent according to the guidelines in the agreement. As you are aware, Mr. Speaker, each agreement contains guidelines which describe methods for carrying out various types of forest development work.

The Auditor General's report of 1988 reviewed five agreements and determined that these guidelines are not consistently followed. For example, between 1985 and 1987 the Canadian Forestry Service found that $10.5 million of the $15 million in plantation expenditures under one agreement was spent on sites not in compliance with distance guidelines.

Moreover, the Auditor General noticed that only two of the five agreements surveyed contained local and regional plans needed to outline the work to be done under the agreements and how this work related to over-all forest development strategies. In short, implementation guidelines do not provide an adequate mechanism for national control purposes; and this is more proof that the forestry department has to be given the responsibility for the forestry development agreements.

Moreover, forest resource development agreements do not contain clear standards for collecting data on reforested areas or for the follow-up work. If proper care is not provided as a result there is a high risk that seedlings planted during the agreements will not survive.

This could have a substantial bearing on the future of wood fibre.

[*Translation*]

During the 1984 election campaign, the Leader of the Progressive Conservative Party promised to acknowledge the tremendous importance of the forestry industry to our economy and to raise the subject in the House, with a view to appointing a minister of forestry. His government stated that a department of forestry would provide the national leadership required to develop and co-ordinate forestry policies and programs in line with its commitment to durable enhancement, to promoting research and development in the forestry sector and to promoting federal co-operation with industry, the universities and provincial authorities in a wide range of activities related to forest management and protection.

That is what this Government should have done. However, instead of setting up a department with the resources and authority that would enable it to exercise real leadership, the Government preferred to cut the department's budget by $28 million. It cut the department's personnel, and failed to give the Minister of Forestry control over federal-provincial agreements. Mr. Speaker, again I ask you: is the new forestry department more than just a façade?

[*English*]

Given the government's commitment to this industry, and given the need for strong national leadership in the area, the federal government should at the very least provide the new forestry department with a budget increase similar to those given to other national resource based programs.

The new department should undertake a stronger co-ordination role in managing, controlling, and implementing forestry agreements to ensure that improved forestry practices are implemented more consistently across Canada, thereby improving and increasing the resource base.

Forestry Canada must address the backlog of unsatisfactorily restocked forest land in Canada which continues to increase by 200,000 hectares per year.

The department must also revise program planning and delivery procedures to ensure that funds are spent in accordance with agreement guidelines.

Finally, forestry Canada must address the need for a complete national data collection system to monitor and report the status of Canada's forests. It must review its role in the area of information with particular emphasis on the use and dissemination of research findings.

The future of Canada's forestry sector is at stake. I beseech the government to reconsider its lack-lustre commitment to this area. Bill C-29, I submit to you, Mr. Speaker, is not strong enough.

We support the formation of a department of forestry. We want a department of forestry. Industry wants a department of forestry. But we want one that is going to work from day one, not one that has to be amended and amended.

I propose to you, Mr. Speaker and Mr. Minister, that we will be looking at the bill in some detail and in an objective fashion to try to improve it. We will be making recommendations. You were trying to give the opposition in your speech some hints for co-operation or whatever. I submit that you will need to have some of your own co-operation in looking at some of the amendments that the opposition want to put through. We feel that C-29 is just not strong enough.

The future of Canada's forestry sector is at stake. I beseech the government to reconsider its lack-lustre commitment. Canada's forests will only be able to respond to the challenges of the 21st century if the Canadian government provides the leadership and co-ordination which the forestry sector deserves.

* * *

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: Before I recognize the hon. member for Prince George—Bulkley Valley, it is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Drummond—Royal Canadian Mounted Police—War against drugs; the hon. member for Surrey North—Housing—Personal housing costs—position; the hon. member for The Battlefords—

Meadow Lake—Canada Post Corporation—Remarks of constituents—Minister's position/Public relations activities.

GOVERNMENT ORDERS

[*English*]

DEPARTMENT OF FORESTRY

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mulroney that Bill C-29, an act to establish the Department of Forestry, to amend the Forestry Development and Research Act and to make related amendments to other acts, be read the second time and referred to a legislative committee.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, it is indeed an honour to be able to speak on Bill C-29 as my party's forest critic, and to speak today about forest issues as they affect this particular bill, and our country. Also, I would like to be able to make some comments on forestry and, perhaps, being from what many of us from British Columbia talk about as the number one forest province, and also being from the area of that province that I represent, the Prince George area, the riding of Prince George—Bulkley Valley.

It is an honour to be here today and to speak on this bill because, as all members of this House know, it has been a long time coming. I intend to make some specific references to the bill and then to make general comments on some of the forest issues that I believe we are facing today.

I think it is important for all of us who are debating the issues today, such as the goods and services tax—the grief and suffering tax—to note its impact on forestry.

• (1620)

When we go to our ridings, those of us who are in the chamber today who are lucky to be members of Parliament and to have this platform to speak about important issues in our country, what is the issue that we face and talk about all the time? I venture to suggest that forestry, if not the first issue, as well as the demands on the resource, is certainly the second or third issue that commands the time of members of Parliament in our ridings and in our discussions with our constituents.

While we are supporting support this bill at second reading, I am pleased that there is a good contingent of New Democrat members who will be speaking on this bill. Members of our party represent many of the over 300 communities that depend solely on the forest industry for their survival. I think it is good to speak of our caucus in the sense that we will be presenting a number of speakers on this particular issue. While not all members of the public are with us today, some are watching on TV at home. In our communities people are paying attention to what forestry means at the national level. We want to take that message to Canadians.

I said at the outset that this has been a long time coming. Indeed it has. It was first promised by the Conservatives in the 1984 federal election. Of course, prior to that the the Canadian Forestry Service acted under a number of different departments, primarily agriculture and environment. The minister said that as an early framework we can do more. We will be tabling amendments in committee that will strengthen the mandate of this bill.

We have waited, Mr. Speaker. Some members have been here longer than I. Some time before 1984 there was debate about such a bill. In fact, in the August 30, 1984 issue of the *The Prince George Citizen* the member who is now the Minister of State for Forestry is quoted as saying: "There is no doubt there will be a department of forestry immediately". I do not know the Tory definition of "immediately" but we have learned that it must be about five years in the Tory sense.

While this bill is here today and we are pleased with that, we want to not only speed things along, but add to that as well. Reasoned debate does not mean delay. Reasoned debate and suggestions to improve this bill will we hope improve the process and the federal mandate in forestry.

We are concerned, of course, because now in our country and all across the world forestry is perhaps the number one environmental concern. If there is an issue, department of government or resource that should be considered along the framework of sustainable development, it must be this department and this industry. Forestry is critical to our environment and the lives and jobs of the many people who depend on it for their future.

We are starting to see some of the Conservative government's approach to forestry, and there are some concerns. I noted a recent article in the *Financial Post* hinting at a market-driven approach; that the Minister of Finance will be bringing in new policies in the new year regarding the government's approach to the environment and the economy. But I am concerned over some of the comments around that area when one particular group suggests that the answer is to privatize our forests. I suggest that is not the approach to take. The approach to take is to ensure that legislators, members of Parliament, MLAs and MPPs ensure that when they represent their area, their government, they represent the interests of our forests.

The minister talked about wasted years. Perhaps it is when we talk about the Liberal record we see the wasted years,the wasted time of the Conservatives since they promised an immediate department and the wasted time under the Liberals. In that same election in 1984, the current leader of the Liberal Party came to the home town of the minister and I, saying that there was no need for a full department of forestry. We in this country have grown accustomed to the Liberals shifting their positions from time to time. In this case, in the sense that they are supporting this bill, we are pleased that they have had a shift in opinion and are joining our party in supporting this bill, I trust we will see further amendments to strengthen the department in the committee.

I want to touch on some of the proposals and ideas that our party and I have that I will be bringing before the committee. I am pleased to, on an historical note, point out my own personal involvement in this. At the 1983 federal New Democratic Party convention in Saskatchewan, I presented a resolution from my riding, which passed unanimously at that convention, for a full department of forests. I am pleased that now in 1989 we are debating that bill. We are not pleased at the time that it took for the government to bring in this legislation.

At the 1985 convention, we reaffirmed our commitment to a full department and promised to provide an active forest industry and department in the last election campaign. We will be presenting some amendments to strengthen the mandate of this department. I think it needs strengthening to give that voice for forestry that we have all talked about. I propose to add to the annual report provisions of this bill. I think we must lay out in the legislation some of the concerns and issues that must be dealt with on an annual basis in a report to Parliament.

We will also be moving amendments in co-operation with my colleague, the Member for Skeena, our party's environment critic, relating specifically to sustainable development as it relates to the forest industry.

We will also be moving amendments that enhance the role of the federal government in co-operation with the provinces and the forest resource development agreements. I will be making some comments on that later.

I also propose legislating an annual forest minister's conference and a First Ministers' conference on forestry every five years. I think for the number one industry, the number one environmental issue in this country, we must ensure that our First Ministers, the Prime Minister and the Premiers, meet on this and are aware of the critical concern this particular resource area has to our country.

We will also be proposing amendments for the establishment of a forest trade commissioner. The concerns that we have had in British Columbia and other parts of this country in terms of the Conservative government's sell-out to the Americans on the softwood lumber tariff means we feel that there must be a more ongoing presence in forestry in the trade area. In light of the fact that forest trade in Canada brings in such revenues to this country, it is our view that it requires a permanent official to follow along in that process; and we will be providing amendments to that effect.

As well, in discussions with some of the witnesses that we hope will appear, we will move provisions to create more employment. That was commented on by previous speakers. We can do better. We intend to bring amendments to the legislation to see that that happens. These and others, we hope, will help strengthen the mandate of this department.

We have also called for this committee in dealing with such a critical issue to have the opportunity to travel through the country and hear Canadians' views on forestry. I have on a number of occasions advised the chairman of the Standing Committee on Forestry and Fisheries of that. Within the last two weeks I have written to Canadians, groups, individuals, unions, industry and environmental groups inviting them to make submissions to the committee so we can discuss these issues. I suggest if there is not a willingness on behalf of the Conservatives to have this committee travel, I sense an obligation on the part of our party to travel across this country to hear the views of Canadians on forestry. We have to be realistic in that this is likely the last significant

forestry-related legislation that we will see for some time. If it has taken five years for a bill that is comprised of 10-15 paragraphs, how much longer will we have to wait for a bill that really addresses many of the needs and concerns of forestry all across the country?

• (1630)

We have been joined by a number interest groups that support the call for this committee to travel; the Canadian Institute of Forestry, for one, and the International Woodworkers of America, have also made representations.

That is the general framework that I see for this bill and some of the discussions that we are going to have in the committee when this legislation gets there from this chamber.

But before that, if we go on to some of the specific issues in forestry that should define a bit what we are talking about in terms of the forests what they mean to our planet and to our country. We should, of course, refer to some of the figures about what forestry means to us in economic terms and also to touch on some of those issues that we have to deal with when we talk about forestry in an environmental sense.

We checked to see what would be a good definition of a forest. The Canadian International Development Agency, CIDA, provided a descriptive paragraph on forests. They were talking about forestry in a global sense, and when we talk about the definition of a forest I think that is how we have to think. There is an old phrase, as you probably know, Mr. Speaker, about "thinking globally and acting locally". Well, locally for us is our country, our provinces, and our ridings. But let me read this into the record, Mr. Speaker, because I think it is important to give us a sense of what we are dealing with. "Ranging across some 30 per cent of the planet's land surface forests have been described as the climax ecosystems of a green and flowering world. The most exuberant expressions of nature, forests perform protective, productive and regulative functions. They play a vital ecological role in the planetary recycling of oxygen, nitrogen and carbon. They influence temperature and rainfall. They act as enormous sponges, water and wind erosion is protected. They maintain biological diversity and they actively contribute to economic development. "

That shows just how critical our forests are, not just to us, but to the world. I think there is a new awareness of forestry. There is a short note in today's *Globe and Mail*, where it states that the former President of the United States thought that trees actually contributed to pollution. Now, I suppose, Mr. Speaker, the new President and his awareness of forestry gives us some hope in that there is an awareness at the highest level of our adjoining nation, the United States, of the importance of forestry.

What does it mean to us in the chamber today? Before we started this debate, there was a brief discussion about having our householders through which we communicate with our constituents printed on recycled paper. That is something that all members in this House would like to do.

Let us take a look at how else people read and hear about what we do. With the co-operation and the quick action on behalf of the *Hansard* staff this morning, Mr. Speaker, I asked just how many copies of today's speeches as printed in *Hansard* will get out to Canadians. We are looking at roughly 10,000 copies. I did a quick calculation. How many trees have to be cut down today so that our words in this chamber can be read by Canadians? My calculation, as we speak, is that some 35 trees will have to be cut down to ensure that today's English and French *Hansard* is printed. That means that our words should be economical and to the point. But there is also the hope that the words we say in this chamber today can help replant those forests and plant some additional trees for those wide areas of some of our provinces that need to be reforested. Let us think about that in our proceedings, about the 35 trees that will be used for today's *Hansard*.

Of course, that gets us into what are our forests: the products that they provide and the coverage they give. Half of the total land area of Canada is covered by forests; 79 per cent of the area within the 10 provinces; 60 per cent of forest land is productive, some 243.7 million hectares, by comparison to agricultural land of some 67.8 million hectares.

Let us take a look at some comparative figures that forestry relates to in our trade figures, something I referred to earlier that we will be presenting and dealing with in the legislation when it comes to the committee with some amendments.

Forest products provided a net balance of trade of $18.3 billion in 1987. Following are comparative figures: Farm products, $1.4 billion; fisheries products, $2 billion; energy exports, including natural resources like petroleum and natural gas, $5.5 billion. Now, that is not to belittle the contribution to the economy of those other resources, but it is to point out just how important our forests are to us. For example, the number of people employed in this industry, the workers who help to produce the wealth so that we can be here today and talk about the generation of tax revenue, dollars and wages that are created. Over 800,000 Canadians are employed in the industry, over 300 communities depend on it for survival. What does that mean in terms of the demands on that resource?

Previous speakers have referred to the Woodridge–Reed report commissioned by the previous government in its time, but pointing out some of the significant demands that there will be on our resource. For example, they calculated all of the particular products that would come from the forest industry, an increase in output of 55 per cent over the next 20-year period. Quebec, for example, ranks highest of all regions in Canada in terms of the value of its forest products output, heavily oriented to pulp and paper.

Not everyone agrees with the outlook that this report provides, but even, Mr. Speaker, if you have what they are suggesting will be the increased demand on our forest resource, you can see that we are going to face incredible demands on our industry and on our resources to provide that demand in the economy.

How are we meeting that? We have talked earlier, as all members have, about the provisions of funding toward the forest department. Is this government really giving this new department the dollars to match its words? I suggest to you, Mr. Speaker, that the work that our committee will do will ensure that that message gets across to the government. We will ensure through our debate, our amendments and our discussions that that message is delivered to the highest levels so that they are aware of how important this legislation is.

One of the chief vehicles for delivering forest services, the administration of forests between the federal and provincial governments, is the Forest Resources Development Agreements. They are critical, I would say, in terms of the contribution of the federal government to forestry between the provinces and the federal government. We have already outlined some of the concerns we have had in this House over the current level of support to those agreements by this government. To date, we are concerned, and I think there is evidence to show that that concern is real. For example, in my own province of British Columbia, there is a request for a new agreement when the current one expires at the end of March of next year.

Right now, despite all comments by the minister and staff, it would appear that negotiations at best are at a snail's pace. This government is placing tremendous effort and value in these new agencies that it has created. For example, the Western Diversification Fund and the Atlantic Canada Opportunities Agency. I suggest that what we have ended up with and what has been created is a second level Treasury Board. The major funding decisions that must be made in forestry to renew these agreements is not going to be made by the Minister of Forests. The minister in western Canada for Western Diversification is going to make those decisions. We have called for the Minister of Forests to have that independence to ensure that the minister deals alone with Treasury Board and with cabinet for forestry funding; that it does not have go to through another level. One of the concerns expressed by the forest community is that it is always second rate with this government when it comes to forestry. That is not good enough. That is why we will be moving those amendments in committee to enhance and improve this legislation to give it the clout that we feel it needs.

• (1640)

I do not want to belittle those agreements or carry on with them, but I want members to know just how important they are to the provinces and to work with the different areas of our country to see that forests are reforested. They are critical. I know you know, Mr. Speaker, that we will continue to press in the House to see that those agreements are signed.

What about trade? We have talked already about the forest product shipments and the amount of dollars that they provide to our country and the need, for which we will be bringing in an amendment to the legislation, for a full-time forest trade commissioner to ensure that that

particular area is protected. I refer, of course, to the decision by this government to sell out to the Americans on the softwood lumber tariff, the Memorandum of Understanding, as it is known.

That has created havoc in the forest industry. Perhaps something is getting through over there because in the summer 1989 issue of the *Weststar Timber* Magazine the Minister of State for Forests said: "It is not at all a desirable situation that a foreign jurisdiction would determine whether or not we are properly managing our forests or charging an adequate economic rent". I wonder if Pat Carney is listening today because of what that has done in our province in terms of the additional measures taken by the province of British Columbia. I guess we will see if the current government is still in office in the near future. In any case, that Memorandum of Understanding has dealt a stealthy blow to our industry in Canada.

After spending some time thinking about this issue and researching it, it is my view that if we believe in this country that we are right, that we have managed our forests as best we can, and we have acknowledged where we have had problems, then we should rip up the Memorandum of Understanding and be prepared to defend our forest practices at whatever level is needed so we do not sell out our forests, like the Conservative Party did, again. We must ensure that we manage our forests and not someone else in another country telling us how to run our forest policy in this country.

The Canada–U.S. Interparliamentary Group met last June, discussed some other trade issues and the plywood standards dispute .I gather some progress was made. No progress was made in the softwood lumber tariff which shows that more work must be done. I know members will likely support our amendment to have a full-time forest trade commissioner deal with these issues to ensure that our forests are represented properly at the trade level.

Just recently over the summer, on the decision that was taken by the Los Angeles City Council on our cedar shakes and shingles, where were the government members? Perhaps they were on holiday somewhere. It took four weeks to finally get a word from this government about its intention to assist the industry in this area. Now workers are helping to contribute to a campaign to ensure that our cedar shakes and shingles go into that American market, a major market for our shakes, that the decision can be overturned, and the product that our people ship into the United States is recognized to be the valuable product that it is.

Earlier this summer, my colleague and I travelled into the Maple Ridge area and visited a shake and shingle mill. It was educational. In fact, my colleague suggested that the Minister of State for Forestry join her in a tour of one of those mills so he could get a first-hand understanding of what the decisions and the lack of direction by this government has done to the people who work in that industry. He has gone as far as to say that we do not have the people, if you can just throw money at problems. We are not suggesting that we throw money at problems. I suggest that we have many people prepared to make their contribution to forestry in this country. With proper spending, with proper and adequate information and decision-making early we can do something about it.

Given the incredible demand that we will have on our forests for the various products we produce, we face an incredible demand for increasing the annual allowable cut in our provinces .The current debate in different parts of this country is over preserving parts of our forest to ensure that they are there for future generations and to meet, where we can, the challenge that the Brundtland Commission on sustainable development identified which is the 12 per cent needed. They are major challenges which can be met with this legislation and with the debate around this department.

I am concerned over a recent interview with the minister stating that the Minister of the Environment can intervene in his department. Let us see what that means. I am concerned that if we do not have the debate about forestry on the Forest Department's terms in our legislation that we are talking about today—and will be dealing with in the committee—who knows what this department is going to end up as? It will not have the strong mandate that I think it needs.

We will have these incredible conflicts. Many members know that the debate is ongoing now in terms of our old growth forests primarily on the coast of British Columbia. There is a debate in northern Ontario. What we can do is to assist and provide the leadership and the opportunity where possible at the federal level to work with provinces and with those groups involved to ensure that proper decisions are made. These decisions involve process. Often one will hear politicians talk about process, because it is a convenient way to avoid taking a

stand on something. In terms of resource conflict, process is important.

In our province there is currently no policy in place that can resolve these resource conflict differences. When my colleague from Esquimalt was the premier of the province, we had a process in place, but it has been emasculated by the current government. I have not checked the clock or the news today. I assume that the minister is still in charge in British Columbia. If he has not been changed yet, he certainly should be. He gives forestry a bad name, and I think a new attention, a new direction, to forestry is needed at the provincial level as well.

I said at the beginning that we will be proposing a number of amendments to this bill. I have also said that we will be calling for this committee to have an opportunity to travel through the country to give Canadians a chance to talk about forestry at a national level. If we do that, it will be the best show in town. I can assure you, Mr. Speaker, that we will have an attendance at those meetings because people are so concerned and interested in our forests that they want to have a say and present their views.

I want to wrap up on an international approach, a global approach. We have read in all of the magazines, or heard on the news, of rock stars and others who have travelled primarily to South America where the rain forests are being threatened. Obviously, we have a concern to protect our forests and work on our rain forests, but we also have to think about the concerns we have about those forests in other parts of this world of ours.

• (1650)

They are, Mr. Speaker, to use the words of the minister, "perhaps the lungs of the earth". We have to ensure that we have those lungs. If we can help our forests at home here, we can ensure forests in other parts of the world are protected as well. We will be calling on that in the committee when we are dealing with this legislation so that we can give this department the strength and mandate that I think it needs.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): I liked the idea of the Hon. Member that the shorter the speeches, the less trees we will cut, which is going to be very fine for the Speaker in the Chair.

[*Translation*]

Mr. Charles-Eugène Marin (Gaspé): Mr. Speaker, there is no doubt that Canadians from coast to coast are glad that the Government has decided to create a Forestry Department. I rise not only to speak in favour of the Bill but also to exhort my colleagues on both sides of the House to pass this legislation quickly and enthusiastically.

The Minister gave the background of this Bill. He also described in detail the challenges and opportunities which show convincingly why Canada must have a Forestry Department without delay.

Québec is one of the major forestry provinces of Canada. About 229,000 people work in fields of activity directly or indirectly related to forestry; that is one worker in thirteen. Forestry is the leading industry in more than 120 municipalities in the province. Forest products are the province's largest export. For example, exports of forest products in 1987 amounted to $49 billion, 25 per cent of Québec's total exports.

I am therefore particularly proud to show you, Mr. Speaker, how the new Department will keep Canada a world leader in forestry, how we will remain among the leaders in forest products and conservation and how this new institution will maintain our world reputation as a people who cherishes and knows how to administer this vast resource of which we are the guardians and beneficiaries.

Indeed, given the importance of forests for our country, it seems almost inconceivable that we do not yet have such a federal Department. I think that the Department should have six main tasks. I give considerable importance to the first one, which is to lead the nation to an awareness of the value of our forests and to educate the public about this.

Canada is becoming increasingly urbanized. It is therefore urgent for Canadians to understand the economic, environmental, ecological and even social importance of the forests for every one of us, whether we live in a large city or one of the 350 communities in Canada for which forestry is the main livelihood.

At a time when other countries are losing their forest heritage and Canadians are expressing new concerns about theirs, we can expect vigorous debates over the next decade. In this context, it will be important for Canadians to reach conclusions supported by logical arguments after weighing all the known facts. Only in that way will passion and concern result in practical and productive policies and programs.

I see a federal Department of Forestry which will be a leader in deepening this national awareness, a leader in informing everyone of the necessary facts in order to reach consensus nationally and regionally.

Canadians insist more and more that their forest heritage be used for a variety of purposes. This is very positive and it is most encouraging.

Our country, Mr. Speaker, stands out because of its concern for the environment. And in Canada, this concern applies especially to the forests. Many businesses and governments and even forestry professionals took time to recognize this reality.

Increasingly, Canadians are stressing the need for recognition of the many ways in which our forests can be put to good use, and not just logging. Our new department of forestry will help us give this factor serious consideration as part of the forestry equation.

Perceptions are also important outside politics, Mr. Speaker. I hope that creating a department of forestry will also help get rid of two erroneous ideas that are prevalent among Canadians. In fact, these preconceptions are related and persist, despite a heightened awareness of the importance of our forests.

The first erroneous perception is that our forests are in decline and represent an interesting aspect of Canada's past, a past we are leaving behind us as quickly as progress permits. Of course, nothing could be further from the truth.

Competent management of our forests is not only essential to our future as Canadians. It is also consistent with our responsibility to other nations and to mankind.

The second perception is prevalent among Canadians who would like Canada to have a high tech image. These people see our forests as a sector overrun by poorly-trained loggers whose saw and ax are the embarrassing relics of a distant past.

The proposed department of forestry will be in a position to change that perception. It can show the public and even politicians that they have a unique opportunity to combine advanced technology and modern science in meeting the challenge of managing our rich forests.

We are doing so already, Mr. Speaker. However, very few Canadians are aware of the tremendous progress we have made in applying biotechnology, communications techniques, computer programming and lasers to the forestry sector.

Mr. Speaker, the most important task of the new department will be to play a leading role at the national level, in order to heighten our awareness of the forestry sector and make us more knowledgeable on the subject.

The second task of the new department of forestry, Mr. Speaker, will consist in forging links between the various partners, organizing concerted action and co-ordinating resources.

To meet the challenge facing the forestry sector requires a range of resources that are beyond the capabilities of the individual entrepreneur.

It is only by combining the know-how and resources of the Federal and Provincial Governments with those of the private sector, that we may achieve that goal. This is the necessary condition which we must meet if we are to remain in front or even part of the pack.

The Federal and Provincial Governments are well aware that we must all act together and that if we want to take up this challenge, we will have to seize every available opportunity.

Through the Canadian Forestry Council, Governments have made their relation official. They have created a framework which will make it possible for universities, the private sector, trade unions and vested interests to co-operate towards a common goal.

The Federal Government should be able to communicate efficiently with the other industries. It should give Canada the impetus it alone can provide. To achieve this purpose, we need a full-fledged department with a full time Minister.

For us to act otherwise would be to demonstrate that we do not fully realize the importance of our forests for the future of our nation.

How could the Federal Government manage otherwise and fully participate in this country's major industry?

The major steps which the interested parties can take under the direction and with the participation of the Department include the development of higher standards for the intensive management of productive forests in Canada. Such standards would permit the development of management plans integrating the important ecological role of the forests, good conservation practices and a diversified utilization of this resource.

The Department should play a determining role in the establishment of a consensus between the partners on the manner to achieve the sustainable development of all our regions.

The Department may contribute—

[*English*]

The Acting Speaker (Mr. Paproski): The hon. member will have 11 minutes left in his speech plus 10 minutes questions and comments when we start debate the next day.

[*Translation*]

It being 5 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

BILL OF RIGHTS

SUGGESTED CHILD PROTECTION COMMISSION

Ms. Joy Langan (Mission—Coquitlam) moved:

That, in the opinion of this House, the government should consider the advisability of negotiating with the provinces to provide a comprehensive bill of rights for children which would standardize laws throughout the country, and that this Bill of Rights include a child protection commission and an emergency hotline which children could contact in times of crisis.

She said: Thank you, Mr. Speaker. I rise to speak in anticipation today that my colleagues on all sides of the house will agree with the spirit of the motion that I present today.

Motion M–254 reads and I will repeat it even though the Speaker has spelled it out for us:

> That, in the opinion of this House, the government should consider the advisability of negotiating with the provinces to provide a comprehensive bill of rights for children which would standardize laws throughout the country, and that this Bill of Rights include a child protection commission and an emergency hotline which children could contact in times of crisis.

I want to speak today about the intent of this motion. During the remaining four hours of debate on this votable motion, my New Democrat colleagues will expand on our position on a comprehensive bill of rights for children. In the world view, Canada is a country without equal when it comes to a tradition of social justice. Canada has always been a leading nation in speaking out for human rights, the dignity of the person and on behalf of democracy.

Canada has seldom been found wanting in speaking out for the protection of the world's children. Our reputation is outstanding. Our own social contract within our own boundaries is the envy of the world. Indeed, Canada is one of the leading countries of preference for those wishing to immigrate. For these reasons I ask members to give favourable consideration to the motion.

In the past, a number of private members' bills have been presented which wanted to establish federal–provincial task forces in order to negotiate legislation. They were never fully debated. The bills either languished on the Order Paper or were referred to committee where they stayed in limbo.

Events are now overtaking us. It has been 65 years since the League of Nations first adopted a declaration concerning children. It has been 30 years since the United Nations adopted its declaration of the rights of the child. It has been 10 years since the International Year of the Child.

Later this year the United Nations General Assembly, following long and difficult negotiations in the UN Commission on Human Rights, is expected to examine and hopefully adopt a convention on the rights of the child.

Canadians can be proud that we have played a role in the drafting and negotiating of this convention. It is imperative that we ensure that our own house is in order so that the rights guaranteed by this international charter are available to all Canadian children. It is important to clarify that this motion does not suggest a specific Canadian charter of rights for children. I am well aware of the jurisdictional problems involved in the detailed negotiations that must go on between the federal government and the provinces to achieve such a charter. It is imperative, however, that we begin negotiations with the provinces to pave the way for Canada to become a signatory to the United Nations convention when it is presented to the UN and for Canada to subsequently ratify the convention.

One of the difficulties we face is that in Canada, among the 10 provinces and two territories, there is a wide range of legislation for the protection and administration of children. Often the legislation varies, sometimes minimally but often substantially. For example, Canadians would agree that a child has a right to an education but education services and educational standards vary from province to province to the territories and falls within the jurisdiction of the provincial and territorial legislatures. In Ontario, children's programs are delivered by three different levels of government. They involve eight administrative bodies located within six government ministries with different criteria determining who gets what from whom. It is not the intent of this motion to provoke a debate on when a child exists. The Prime Minister has promised Canadians a debate on that question and it should quite properly be discussed at that time. In this and any following debate on this motion attention must not be diverted from the needs of Canadian children now.

In putting this discussion in the correct context, we must discuss the draft convention on the rights of the child that is expected to be adopted by the UN General Assembly at its forty-fourth session. In so doing, it is necessary to discuss the situation of children around the world.

It has been widely recognized that children have special needs during their physical and mental development and therefore require special care, protection and their own rights.

The family plays a fundamental role in the education and development of the child. It is appalling that more than 40,000 children, primarily in developing countries, continue to die each day from common childhood diseases which we can prevent. It is of deep concern to all Canadians that millions of children live in extreme poverty, suffer from malnutrition, hunger, illness, maltreatment, environmental pollution and lack of social provisions for their physical and mental development.

We as Canadians should also be concerned that they are also the victims of war, are refugees, are homeless and that they suffer as a result of apartheid, other racial discrimination, or of colonial or foreign domination, that they are subject to neglect, physical abuse, abduction, illegal trafficking, drug abuse, or are exploited for the purposes of labour, prostitution or pornography. Even the most basic needs of children for food, clothing and shelter are not guaranteed anywhere in the world.

I mentioned earlier that 40,000 children a day die from starvation, diarrhoea from polluted water, and disease that could be stopped by a single vaccination. UNICEF calls this the silent emergency of 15 million avoidable child deaths each year. It is of particular concern, because the money required to provide adequate food and water, education, health and housing for everyone in the world has been established at $17 billion. It is a huge sum of money. It is as much as the world spends on weapons every two weeks.

We in Canada cannot afford to be too smug or too complacent about conditions here at home. In Canada it is estimated that one child in five lives below the poverty line. One child in five lives in poverty in this great country of Canada. That is surely preventable.

The recent report of the Canadian Council on Social Development in its 1989 fact book on poverty pointed out that the poverty among young Canadian families has doubled since 1973. The report found that 30 per cent of those living in poverty in Canada are children. That is approximately 1.12 million Canadian children.

There is probably not a community in Canada where children are not among the largest users of food banks.

There is probably not a community in Canada where a good number of children are not going to school hungry.

Recently a report from the Social Planning and Research Council of B.C. noted that using Canada's food guide, B.C. welfare rates would only allow a parent to feed a child properly for two and a half weeks each month. Surely since much of the administration of social service assistance is within the purview of the provinces, indeed in some provinces the municipalities, it is imperative that there be some standardization required to ensure that children under their jurisdiction be maintained in such a way that they are able to rise above the poverty line in their lifestyles.

Currently Canadian children are guaranteed certain rights under the Canadian Charter of Rights and Freedoms and under federal and provincial legislation, policy and procedural manuals, standards, contract for services and through the adherence of rules of natural justice and administrative fairness as interpreted by the courts, or through the office of the ombudsman in those provinces where there is an ombudsman.

Attitudes about children and youth have progressed in our society, from a view of the child as a chattel to his or her parents, to the more modern view of a child as a person in his or her own right. Canadian laws, policies and practices have reflected this historical evolution while maintaining a recognition of the family, however defined, as a primary unit responsible for the care, nurturing and development of the child.

On April 27, 1982, the Canadian Charter of Rights and Freedoms came into force. While the charter was intended to apply to all Canadians, it has been used most often in cases involving adults. The Canadian Youth Foundation has observed that society has recognized that the needs and capacities of children and youths differ from those of adults. Although children and youths are individuals entitled to constitutionally protected rights, these rights must be defined somewhat differently for adults. The courts will have to define these rights and interpret the charter in a manner that will benefit the children and youths of this country.

• (1710)

The federal government, on behalf of all Canadians, has responsibility to all children of Canada and the guidance required by the federal government is considerable. It is not good enough to leave the equitable administration to the provinces. Other federal responsibilities include a universal affordable child care strategy for all children in Canada who require child care, taking into account all options that will fill the needs of the family and the child, a national child abuse strategy that will include the proper funding and will include a child protection commissioner and a federal commitment to support the Kids Help Line.

Let me be more explicit about the areas I have just mentioned. A growing crisis in child care in Canada was first acknowledged by the Royal Commission on the Status of Women in 1970 which pointed out that parents require supplementary child care to allow them to fulfil both work and parental responsibilities. The commission pointed out that society had a role to play in providing these services and without provision of these services the equality of women would be meaningless.

In the 1984 election even the Conservative party recognized there was growing demand for action in the area of child care. Then opposition leader Brian Mulroney responded by making a a commitment to a national child care program. Again, during the 1988 campaign, this government pledged its commitment to the caring of Canada's children. We are still waiting. As recently as July the Prime Minister told Conservative party faithful that: "We recognize for many Canadians, especially single mothers and fathers, getting child care spaces is not just a question of lifestyles or personal fulfilment but of basic economic necessity. For working mothers proper child care is an essential investment of economic fairness and equality". And for children it is an absolute must.

This commitment, it seems however, only comes during election campaigns. By the time Michael Wilson presented his Budget the Tories had shelved their child care promises.

Canadian families will be hard hit by the government's failure to fund new spaces and the Conservatives have displayed a total lack of understanding for the real needs of parents and children in this country and for the real needs in terms of the rights for the children of this country to be protected. Working families and their children will suffer, particularly in households headed by

single moms and those single moms who earn only two-thirds of the wages earned by men.

In my call for a national child abuse strategy which includes a child protection commission, I want to draw attention to the deplorable situation that exists in Canada with regard to child abuse. It is appropriate to know that September has been designated Child Abuse Prevention Month. Daily we hear horror story after horror story about child abuse in this country, particularly about child sexual abuse. The Metro Toronto Catholic Children's Aid Society reported last month that the number of child sexual abuse cases has risen by 59 per cent this year.

As recently as June 20 the government, through the Minister of National Health and Welfare, rejected criticism that this government is not moving fast enough to counter the growing problem of child sex abuse. The minister said that there is no cure to protect children from sexual predators. The minister indicated that the government has acted on the majority of recommendations contained in the 1984 report of the Committee on Sexual Offences Against Children and Youths. There were 52 recommendations in the report and I would be interested to have the minister report to the House which of the 52 recommendations have been implemented.

We do know that recommendation one, which calls for the office of a commissioner, has not been implemented.

The report puts it very clearly:" The problem of child sexual abuse in Canada is so pervasive and deep rooted that in its response to our recommendations we believe that the Government of Canada must establish a means to deal adequately and on a co-ordinated basis with these issues.

The problems identified and documented in the report are so far reaching and complex that they extend well beyond the jurisdictional authority of one or two federal departments or one level of government alone. In relation to several significant issues pertaining to sexual offences, the committee found that many of the well founded recommendations of earlier distinguished advisory commissions had never been implemented."

What is required to bring about the reforms that are needed is an administrative mechanism which co-ordinates the efforts of federal, provincial and municipal governments. In our judgment it is unlikely that this work can be achieved within the existing organization of public service.

I agree with the call for a commissioner. The report suggests that the commissioner should report directly to the office of the Prime Minister and that the commissioner should initiate and co-ordinate the work of various federal departments, work in conjunction with related departments at the provincial level, and establish the means needed to assure the full participation of non-governmental agencies in these activities.

Our governments in the past have, when special need has been recognized, established special bodies which were assigned special responsibility to respond. That surely is needed now. The problem of sexual abuse in Canada is so pervasive and deep rooted that the only way to begin to address the problem, much less the consequences, is with a commissioner. It is time to recognize that these problems are real and to address them.

On the matter of the reference in the motion to an emergency hot line which children can contact in times of crisis, let me refer the hon. members to the Kids Hot Line.

It is a national bilingual telephone counselling and referral service that has been operating for just four months. It was launched by the Canadian Children's Foundation, a national non-profit fund-raising organization concerned with the health and welfare of children. It has handled over 30,000 calls in just over four months, averaging 650 per day from children across the country, including the Yukon and Northwest Territories. Four hundred of these calls have been suicide calls. The callers range from four years old to 19.

Preliminary statistics show that 10 per cent of the callers were francophone; 48 per cent of the calls concerned interpersonal problems, family and parental conflict, peer relationships, isolated and lonely children, those with non positive relationships in their lives and kids in rural and remote areas. Twelve per cent of the callers are abused. For many it is the first time they have talked about their abuse. The majority of these cases are serious in nature. Counselling and referral to community organizations is imperative in these cases. Five per cent are related to alcohol and drug abuse. Other issues

include health, sexuality, legal rights and helping kids who are suicidal.

Initial funding came from corporate sponsorship. However, the kids' help line has applied to the Department of Health and Welfare for aid and discussions have been held directly with the minister. Still, there is no announcement. Organizers have expressed their concern that without federal dollars the project is in jeopardy.

We can spend $2.7 million to advertise the budget, but the government will not come up with the funds for kids' help line. What are our priorities in this country?

Canada will soon have the opportunity to join other member nations in ratifying the proposed convention on the rights of the child. This document is currently being reviewed by Canada and its provinces. By signing the convention, a state signifies its intention to comply with the provisions and obligations contained therein.

The proposed convention recognizes the special vulnerability of children, their needs for special safeguards, protection and care. In reality, the children do not have political rights or influence.

The proposed convention also recognizes that the family is the fundamental group of society and the natural environment for the growth and well-being of all its members, particularly children, and should be afforded the necessary protection and assistance so that it can fully assume its responsibilities within the community.

Canadians can be justly proud of the role we have played in the development of the UN code. But if it is adopted, there will have to be some changes made to some of our own laws so that we too can sign the convention.

The convention sets very high standards. The articles in the convention cover three areas: survival, protection and development. This document emphasizes children but is directed at adults and makes the statement about adult responsibilities.

One might wonder why it has taken so long to legalize the rights of children. The answer is very simple: Children, regardless of where they live, have no political power. They cannot vote; they cannot organize resources in their own defence; they are extremely vulnerable to exploitation, and almost entirely dependent on the good will of adults for their well being.

The bottom line is that there is no effective, international court of law. There is only the court of public opinion and I appeal to my colleagues to vote in favour of this motion.

Some Hon. Members: Hear, hear!

• (1720)

[*Translation*]

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I listened with interest to the speech by the Hon. Member for Mission—Coquitlam (Ms. Langan), who moved a Private Member's Motion and made disturbing statements that the Progressive Conservative Government does not give children priority. Let me say that this accusation is rather simplistic, moving a Private Member's Motion and using a trick like that to say that the Government has done nothing. I can say that the Government is very interested in children. I can also tell you that the Members on this side, the Government Members, and the Minister responsible are very active on children's issues.

Obviously, do we think there is a group in society that is more vulnerable and needs more protection than children, Mr. Speaker? Of course not. I too have nephews and nieces and my friends have children whom I like a lot and I do not know, Mr. Speaker, how I would react if someone hurt these children. I can understand the great sorrow and suffering of parents whose children are mistreated by neighbors, relatives or friends and I think that if I were in their place, I would surely feel terrible. Ensuring that every child grows and develops in a healthy way is our commitment to the future and also a very challenging and complex responsibility.

Concern for children and their well-being is an issue that cuts across many jurisdictions and disciplines. All levels of government, educators, service providers, professionals and volunteers have a role and responsibility in providing for the needs and well-being of children.

In 1979, The International Year of the Child, helped Canadians to focus on opportunities for action on behalf of our children. National Health and Welfare, Mr. Speaker, coordinated the federal response to the report

of the Canadian Commission for the International Year of the Child.

Currently, National Health and Welfare is actively involved in the Federal–Provincial/Territorial Working Group on the United Nations draft convention on the Rights of the child. This working group is an example of the wide recognition that is being given to the needs and rights of children, in Canada and throughout the world.

The Department has a direct and ongoing impact through income security programs, such as family allowances, and cost–sharing of eligible provincial expenditures on child welfare services through the Canada Assistance Plan, among others. More specifically, National Health and Welfare has taken special measures to pinpoint and begin the fight against the serious problems of mistreated or negleted children, including those who are victims of sexual abuse.

In the last ten years, Mr. Speaker, and this is quite overwhelming, Canadians have gained an awareness of the sexual abuse of children. In 1980, National Health and Welfare, in cooperation with the federal department of Justice, established the committee on sexual offences against cheldren and youths. This committee's work, now known as the badgley report, described, in startling terms, the real and potential extent of childhood vulnerability. It is not rather unbelievable when you think about it, Mr. Speaker!

It reported that 42 per cent of the population have been victims of unwanted sexual acts at some point in their lives; One in two adult females and one in three adult males. Eighty per cent of these incidents took place before the age of majority and 25 per cent involved a family member or guardian.

To state it mildly, these revelations, combined with the fraser report on pornography and prostitution, heightened public awareness and created a demand for action.

This government, Mr. Speaker, has taken specific action to deal with child sexual abuse. Among other things, Bill C–15 became law in January of last year. The purpose of this project is to reduce and prevent the secondary victimization of children by the court system. This project bears witness to the special dimensions associated with a problem like child sexual abuse.

The child sexual abuse initiative launched by this government in 1986 included $25.1 million over five years, to address the problem. Of course I think that is not much. We would need twice that amount, Mr. Speaker.

The Government is confronted with budgetary problems. National Health and Welfare, through the Family Violence Prevention Division, is responsible for the administration of $20 million to develop innovative projets that will help us to prevent and treat child sexual abuse. Mr. Speaker, need I insist on the need to work on prevention, since a child who has been abused sexually or otherwise has a hard time readjusting to normal life. That is why we must focus on prevention.

Mr. Speaker, since 1986, the Department has funded more than 170 projects across Canada in awareness, training, prevention education as well as research and evaluation. Of course, Mr. Speaker, the eradication of child abuse is our main goal. More than 10 national youth serving organizations are working with the Canadian Council on Children and Youth on a National Health and Welfare funded project to develop a national training program for the prevention of child sexual abuse. I could elaborate on that project but it would take too long; I only want to mention it so that the Hon. Member can find out more from the Department.

The Canadian people are concerned about the abuse, exploitation and neglect of our children, Mr. Speaker, as Hon. Members are aware.

Since 1987, Mr. Rix Rogers, a well–known volunteer, has been serving as the Minister of National Health and Welfare's special advisor on child sexual abuse. Mr. Speaker, I took the time to read the report and I can tell you there were some incredible things in it. I told the Minister that, as Parliamentary Secretary, I would devote most of my time to trying to help him and his provincial counterparts— The issue was raised last week at a meeting of federal and provincial Ministers of Health which took place at Meech Lake. Of course, it also concerns provincial Ministers responsible for enforcing health legislation. But Mr. Rodgers' report is alarming and I would encourage the Hon. Members to read it to

become more aware of the serious problem of child sexual abuse, Mr. Speaker. I gives me the shudders just to talk about it.

I know that my time is limited. The Hon. Member's motion proposes the establishment of an emergency hot-line for children. I would like to take a few moments, Mr. Speaker, to address the matter of telephone hot-lines. Many provinces have now recognized the need and are offering this type of service, as the honourable member, who is from British Columbia, must be aware. Mr. Speaker, Manitoba has a network of telephone lines. There are a number of hot-lines and crisis telephone services for children in Ontario. Alberta offers a 24-hour child abuse and neglect hot-line. Quebec also has a province-wide child abuse line.

By now, Mr. Speaker, members of this House and the Canadian people will be aware, or will learn if they don't already know, that the Canadian Children's Foundation has launched the "Kids Help Phone" to reach out to chilren in distress. With sponsorship from the corporate sector, this toll-free, national hot-line offers 24-hour a day, year-round service to children who don't know where to turn for help. The child's anonymity is preserved, and the Foundation is working closely with the provinces.

Finally, Mr Speaker, the federal government is currently taking action to develop measures to protect Canadians from abuse and neglect. In June of 1988, the Minister of National Health and Welfare and the Minister responsible for the Status of Women announced the $40 million family violence initiative. Again, Mr. Speaker, the ministry is cooperating with the provinces and the territories. A lot has to be done. Right now, we are trying to develop a long-term action plan and to make sure we all agree that sexual abuse and family violence must come to an end. It will take money and efforts, but you can be sure that I will pay special attention to this matter. I want to thank the honourable member for giving me the opportunity to address this issue.

• (1730)

[*English*]

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, I was very disappointed to hear the response of the government to this private member's motion. I listened very carefully as she ignored the essential point being raised; that is, will Canada lend support to the UN General Assembly debate on a bill of rights for children this fall. The response of our party today and for the last several years is that we will support the UN resolution and we ask the government of Canada to take the initiative in working with the provinces to see that this happens.

I would just take us back a little bit to understand the genesis of this debate. The Liberal Party has for years worked within the General Assembly to assure that children's rights are promoted and protected. It comes as a great surprise, though perhaps not, that this government chooses to talk about anything else except its international responsibility in a matter so fundamental to the future of our country as children's rights.

Back in 1959, the UN General Assembly adopted a declaration of the rights of the child. Included in this declaration were the right to affection, love and understanding, the right to adequate nutrition and medical care, the right to free education, the right to a full opportunity to play and recreation and the right to a name and nationality. That takes us back 30 years of fighting for this basic principle.

Canada was a signatory to this bill. However, the UN lacks the legal authority to enforce the principles enshrined in this bill. Hence children's rights in Canada were nothing more than a statement of principle. This is not to say, however, that policy and law-making in Canada did not take into account the welfare of children. We all know of the progressive legislation presented by one Liberal government after another since that time to promote the rights of children.

A private member made an effort in 1979 to present a piece of legislation. James McGrath, a Progressive Conservative member from St. John's East presented Bill C-204, which was then sent to a committee and was never enacted. This party across from me has some semblance of conscience but has not been able to pull itself together to do anything as the government.

Mr. Friesen: Who killed it?

Mr. Walker: It was killed by your party. The Canadian Government should take the responsibility in three ways for enhancing the rights of children. First, it should take the responsibility for working with the UN to ensure that this piece of legislation gets through this fall. The bill of rights for children has a number of principles which are

absolutely important for Canadians. Here are some of the highlights from it.

Every child has the inherent right to life and the state shall ensure maximum child survival and development. Children shall not be separated from their parents unless competent authorities are there for their own well-being. Parents have the primary responsibility for the child's upbringing, but the state shall provide them with appropriate assistance and develop child care institutions. The state shall protect children from physical or mental harm and neglect. Disabled children shall have the right to special treatment, education and care. The state shall ensure health care is provided to all children. Primary education shall be free and compulsory as early as possible. Discipline shall respect the child's dignity. Children should have time to rest and play and equal opportunities for cultural and artistic activities. The state shall protect children from the illegal use of drugs. Capital punishment or life imprisonment shall not be imposed for crimes committed before the age of 18. Children of minority and indigenous population shall freely enjoy their own culture, religion and language.

Although in Canada we have often talked about these objectives as a country, we have also had a great deal of difficulty reaching these goals. Part of the problem, and I think this is the origin of this particular private member's motion, is the fact that so many of our responsibilities dealing with children are in fact split between the provincial and federal governments.

Think of the way we have distributed responsibilities. Family allowances are federal; child welfare is basically provincial. The Charter of Rights and Freedoms is federal; education is provincial. The Criminal Code is federal. Income support is both provincial and federal, depending on the particular piece of legislation. Municipal services which affect children in areas such as recreation are under the umbrella of the provincial governments. Housing can be either federal or provincial. Disability assistance can be either provincial or federal and child labour laws are provincial responsibilities. For this reason, it is important for the federal government not to sit back but to take the initiative to ensure that the provincial governments which must assume responsibility for this international piece of legislation understand the importance of it for all Canadians so that we do not get locked into a Balkanized state and have one or two recalcitrant ministers refuse to sign.

I think of some of the pressing problems facing us with our children. Let us just go through the list quickly. It is enough to disturb any Canadian. There is the plight of native children, particularly in western Canada, on reserves and off reserves, and little action is being taken there. In the native community, the baby boom has come later and these problems will only get worse and worse if we do not act. The plight of young prostitutes in our cities, the emergence of street gangs, crime and drug-related activities, ethnic and racial tensions, the problem of homelessness among youth who have no place to go and wander the streets night after night. There is the impoverishment of families, particularly since this government took control. There are the single-parent families and the problems they have dealing with the responsibilities of their children. There is sexual abuse, which was already mentioned by previous speakers.

For these reasons we think that the government should not sit back and make speeches about what it has been trying to do but should admit, as all clear-thinking Canadians would admit, that in fact a great deal has to be done in the near future to protect our children.

This motion represents but one small step in the activities that the Canadian government could be taking, and in fact will represent a first step in a very, very difficult process of ensuring provincial co-operation. We have seen that the strategy of this government in one domain after another has been to allow the provincial governments to do whatever they want. This is not a time to wait for the provincial governments to do what they want but in fact is a time to establish federal authority, federal leadership, and ensure that Canada becomes a signatory to this agreement as well as the provincial governments.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, I want to thank you for allowing me the opportunity to participate in this debate. No political party has a monopoly on what is best for the children of this country, but all of us as legislators have a responsibility to understand that for years, there has been neglect in this field and it is within the power of this small chamber to affect the lives of over 1,200,000 children in this country who do live below the poverty line.

My reason for coming into politics some 30 years ago was that I am a social worker. I worked with the Children's Aid Society in the city of Vancouver and also in correctional institutions. When I first started as a social worker, case loads were 78 children per worker. Now case loads average 250 to 300. We have not made progress, Mr. Speaker, we have lost ground. We were putting children as young as 12 years of age into prisons, known as training schools in this country. Mercifully, in the last 30 years some of that attitude has changed, but it has not changed on racial lines. There are still indigenous peoples in this country whose children are placed, on the basis of the fact they are indigenous people, far more readily than the rest of the population into child care in provinces right across this country.

• (1740)

Furthermore, when we talk about children's rights we must understand that they are part of families. Essentially the poverty end of those families is the single parent family. We can all make pious statements and platitudes about the necessity of caring for children, but the bottom line is sufficient money for a family to survive and provide the necessities of life for every child who should be given equal access to every necessity in this country. I do not blame the government for this situation, or the opposition, or our party. We talk about the necessity for these things, bringing a sense of unanimity to our concern for children. The facts is that there is only one body in this House that has the authority at this moment, delegated by the citizens of this country, to do something about it and it is that government over there.

It is not good enough to blame it on the Liberals. It is not good enough to say we hope to do better. What is good enough is to stand up and say that we, the Government of Canada, supported by the two opposition parties, intend to make right that which has for so long been wrong.

During my administration in British Columbia, I was attacked for being a social worker. I was attacked for being concerned about the rights of children. I was told that I was spending too much money on welfare. I will never apologize for upping the budgets for the care of children that we were responsible for as a government of the province of British Columbia.

Some Hon. Members: Hear, hear!

Mr. Barrett: I deeply regret that the succeeding government destroyed initiatives in the province of British Columbia parallel with some of the provinces, including the province of Quebec, that were innovative, new and daring in preventing problems with children rather than institutionalizing them and paying for the problems afterwards.

My colleague, the Member for Mission—Coquitlam, has made an outstanding statement here in this House, delineating through hard facts the passion and the anxiety of people in this country who do work with children every single day. We will not get another chance, perhaps, in the very short time of this parliament to discuss an issue that is as important as this in my opinion, and we do have a chance to vote on it today.

There are voiceless people who expect and hope and dream that somehow a good government will do something decent. This is a chance for all of us to participate in good government and in doing something decent, but it means backing it up with money.

My colleague spoke about the need for a hotline for children. The hotline is operating, Mr. Speaker. What is missing is the money to keep it going. I do not want to cast any aspersions on the way government chooses to spend, but surely a little bit from travel budgets could drift down to this kind of program. Surely a little bit from advertising budgets could drift down to children. Surely a little casual knocking off of some of the spendthrift attitudes of some of the ministers would trickle down to this problem.

Kids do not have a chance to speak. Kids do not have a chance to stand up in this House and ask for the things they want. Indigenous children who are the victims of inherent and incipient racism in this country do not have a chance to speak. We used to grab kids simply because they were indigenous kids and they were better placed in white homes than they were in the indigenous people's homes. Fortunately, that practice is almost gone in this country, but it still exists.

There is a need for standards to be set, as my colleague said. There should be basic minimums. The tools are there to do it under the Canada Assistance Plan. If this government really were concerned about children, it would say no money under the Canada Assistance Plan

to any province that cuts down in terms of education, health care or social services for any child.

A similar experience happened in the United States when singing Jim Folson, the governor of Tennessee, decided that he was going to use welfare money for children for other purposes. The federal government in the United States had enough guts to cut off the money and force him to meet the standards. We can do the same thing with reluctant premiers here in this country. They are not reluctant because they are mean people, Mr. Speaker. They are reluctant because they are largely unaware of how serious the problem is for children in this country.

I want to comment about some of the changes that I have seen as I conclude my remarks. Some of the changes are in the use of alcohol and other drugs.

I hear pious words about a war on drugs. The most serious drug affecting children in our society and almost condoned by many parents is alcohol. There are some parents who actually believe that they are relieved that their kids are drinking beer or booze and not using drugs. Alcohol is a drug and it is a violently abused drug here in this country simply because in many instances it is pushed on kids through some of the advertising that is subtle but direct.

The last comment I want to make is about child sex abuse. The Badgley Report initiated by the Liberal government is a masterful example of the use of the House to bring information to legislators. The government is to be commended for releasing the Badgley Report, an outstanding piece of work showing unanimity about gathering facts. The Badgley Report, after gathering facts, is now gathering dust.

The statistics on increasing sexual abuse of children in this country are alarming and inexcusable and regrettably have reached into institutions where we never expected to encounter such behaviour. We have never as a nation made a commitment to ensure that a whole range of services are available for every child in this country regardless of race, creed or colour and that the services are available on the basis of the needs of the child rather than having the child fit into the services that the state thinks it needs. That means flexibility. It means some caution, some prudence and some understanding that at the bottom of all of this is money and a commitment.

I will be the first to go public and praise the Tory government if it accepts this motion, passes it and puts its money behind it. But if this is just to be another exercise for an afternoon, all of us being good and talking about the needs of children, then forget it. It will go down as another cynical and hypocritical afternoon. This is a rare chance in the legislative process to do something that means something for all of us and to back it up with money. I beg the government to take the chance.

Mr. Patrick Boyer (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I would like to begin by thanking the Hon. Member for Mission—Coquitlam for placing this motion before the House because it gives us a chance to visit a subject sorely in need of greater attention. I rise to speak because I share her concern that we must do all that is possible to protect children and ensure their rights.

There are a lot of things that have happened in this century that would make us wonder whether civilization is advancing. But one of the marks of civilization perhaps is the extent to which we take care and consideration for the weaker, the more vulnerable, the voiceless, be they minorities, individuals with disabilities, the environment, animals, and most of all children. An effort to curb the strong is sometimes needed but efforts to uphold the weak is very much always there. A mark of how we can make progress on that is perhaps more than anything a mark of how civilized we are.

A comprehensive Canadian bill of rights for children is an admirable concept. But, in fact, there is a more immediate and practical alternative before us to accomplish the very same objective. I refer, as the hon. member herself did, to the United Nations Draft Convention on the Rights of the Child. This important international convention is expected to be adopted by the United Nations General Assembly later this year. Once adopted, the convention will be open to ratification by all countries, including Canada. States that become party to that international convention will be bound by the specific provisions, as the hon. member has pointed out, and the obligations that are contained in it.

How does that convention affect the debate within Canada? I think it is precisely that way. The hon. member herself referred to the high standards that are in that draft convention. I believe, to answer my own question, that this instrument developed through the comity of nations can serve as a bill of rights for children not only internationally but also domestically. We will go through the process to which she referred of seeing that all Canadian laws and policies reflect the new rights and obligations set out in that charter.

• (1750)

In the thirty-third Parliament I chaired a committee of this House on equality rights that went through essentially the same exercise dealing with Article 15 of the Charter. We looked at existing Canadian laws and programs to see that they in fact comply with the guarantees of equality enshrined in Article 15. A similar process is contemplated here.

I listened to the remarks of the hon. member for Winnipeg North Centre who, unfortunately, put a negative cast on his remarks in referring to the government because the reality is that this country has taken a very active role in the development of this convention. He also gave a list of issues that affect the position of children in our society indicating which fall under federal and which fall under provincial jurisdiction. We are not hearing of that for the first time. Our government is more than mindful that these are mostly shared jurisdiction or provincial jurisdiction issues. That is why for some many months now the Government of Canada has worked closely with provincial governments to see that in the drafting of the convention itself their interests and concerns were adequately reflected. This is something that has been proceeding with care, pressing on toward this goal of having an instrument that can serve both the international community and, most assuredly, our own domestic situation with the best possible statement of the rights of children.

[*Translation*]

Mr. Speaker, we may ask here whether it is really necessary to have an international or national charter of children's rights. After all, children are human beings and as such should enjoy the rights provided in international instruments and national charters like our own Charter of Rights and Freedoms. Some states expto have an international or national charter of children's rights. After all, chilldren are human beings and as such should enjoy the rights provided in international instruments and national charters like our own Charter of Rights and Freedoms. Some states expressed this opinion when the question of a convention on the rights of the child arose in the late 1970s.

Although we all agree that children enjoy the same basic rights as adults, we must still admit that they cannot exercise them all in the same way as adults and that furthermore, children require special protection much more than adults. The international community has recognized this fact since the beginning of the century. For example, The Hague Convention on the Laws of War adopted in 1907 is one of the first international instruments to deal with children's rights. This document and those that followed it set forth what protection must be given to children in wartime. The signatory states are required to provide this protection. The standards were considerably improved after the horrors of World War II, when the international community, meeting under the auspices of the Red Cross, wrote the four Geneva Conventions in 1949.

[*English*]

Outside of those specific areas of protection of children during armed conflict to which I have just referred, the international community took an early interest in the broader rights of the child. For example, in 1924, it was the League of Nations that adopted the first declaration of the rights of the child which, in these circles, is commonly referred to as the Declaration of Geneva. Although its content was only declaratory in nature, it did provide a necessary focus that has since guided the international community's work in this field of children's rights. It is worth noting that back in the mid-1920s a statement was made which says—and I think back to what the hon. member from British Columbia just said—that mankind owes to the child the best that it has to give—a simple, but a high standard. Sadly, in practice, that duty has often not been fulfilled.

It was because of those failings and the failings that other hon. members have documented here, Mr. Speaker, that the international community recognized it was necessary to ensure better protection for children. That is why in 1959 the UN Declaration of the Rights of the Child went some way toward achieving the goal of setting standards. Still, by the 1970s, as new issues affecting children came to the attention of all of us, it was recognized that a number of those provisions were

simply out of date and that we had come to an era where a legally binding instrument was the order of the day.

It has been 10 years since then that this UN convention has been in the making. There have been countless difficulties and problems that probably would have derailed a less noble venture. There was the early problem of skepticism. Drafting this new convention was also plagued initially by cold war ideological disputes, not to mention the cultural differences of participating states which periodically resulted in quite a strong difference of opinion.

The working group in which Canada was very much an active participant persisted. This perseverance has resulted in a remarkable document that itself is testament, I believe, to the international community's continuing concern for the rights of the child. That is our closest, best hope to move forward because it already represents a strong response by Canada, both federally and provincially. If we get that convention ratified this year, and Canada becomes a signatory and we bring our domestic laws into line with it, I think that a great distance will have been covered to bring the aspirations expressed here this afternoon into a reality.

[*Translation*]

Mr. Maurice Tremblay (Lotbinière): Mr. Speaker, as did the Hon. Members who just spoke, I wish to congratulate the Hon. Member for Mission—Coquitlam (Ms. Langan) for presenting this motion.

However, Mr. Speaker, I doubt I will have much time to speak in this debate.

I will give it a try, Mr. Speaker, because if any vulnerable group in our society needs the Government's protection, it is our children.

This Government, through various departments including National Health and Welfare and the Solicitor General's department, continues and will continue to live up to its commitment to protect and provide for the welfare of Canadian children.

Our commitment is straightforward and simple, Mr. Speaker. Every Every child in Canada should have a chance to grow up and develop into a healthy individual. This is a very stimulating and also a very complex responsibility.

The challenge becomes even greater when we consider the needs of those who may be handicapped or otherwise disadvantaged. Everyone, Mr. Speaker, has a responsibility and a role to play: all levels of governments; educators; professionals; suppliers of services; and so forth, to ensure that our children's needs will be net.

Mr. Speaker, earlier we heard the Hon. Member for Argenteuil—Papineau (Mrs. Bourgault) explain the various programs provided by the Minister of National. In fact, I would have liked to expand on the measures proposed by the Solicitor General's department. Unfortunately, I do not have enough time.

Nevertheless, I may recall, Mr. Speaker, that there are some very important measures in this area and that this is a responsibility not just of the government but of society in general.

The time provided for the consideration of Private Members' Business has now expired.

• (1800)

[*English*]

The Acting Speaker (Mr. Paproski): I regret that I did not see both members rising but the next time the bill comes in the House the hon. member for Saanich—Gulf Islands and the hon. member for Winnipeg North will be recognized.

The time provided for the consideration of Private Members' Business has now expired. Pursuant to standing order 93 the order is dropped to the bottom of the list of the order of precedence on the Order Paper.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

ROYAL CANADIAN MOUNTED POLICE—WAR AGAINST DRUGS.

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, first of all I want to say that today's question was postponed several times, although on several occasions I stayed in the House as late as ten o'clock at night, hoping to express my views on the very important subject of drug trafficking.

Mr. Speaker, I also want to thank you for this opportunity to pursue the subject raised in the House on May 31 in a question to the Solicitor General of Canada (Mr. Blais) about the war against drugs, further to the national annual report on drugs for 1987–88, published by the Royal Canadian Mounted Police. The report showed that enforcement techniques had improved and that international co-operation and the passage of new legislation on the profits of criminal behaviour will have a severe impact on major drug trafficking organizations. In the Western world, the RCMP has a solid reputation for its drug awareness programs.

Compared with 1986, the RCMP seized 41 per cent more cocaine and 94 per cent more cannabis in 1987. In Quebec, as part of its campaign against the profits of crime, it confiscated 25 per cent of those profits in the form of money and goods. These seizures concerned a total of $18.6 million, of which $4.8 million in Quebec. International trafficking in illegal drugs has increased spectacularly over the past few years, and apparently, drug profits are being used partly to finance terrorism.

The major organized groups that control the drug trade in Canada have established elaborate money laundering systems and are thus becoming increasingly powerful. In Canada, drug imports and sales generate between $5 and $10 billion annually. Montreal, where the number of users has tripled in the past two years, has confirmed its position as a focal point for the drug trade. Mr. Speaker, Montreal has between 10,000 and 15,000 of Canada's 25,000 heroin adddicts, while their number was estimated at only 5,000 at the beginning of 1987. Drug-related problems, including daily stress, personal and family problems, a higher incidence of criminal offences and traffic accidents as well as the rising cost of enforcement and health care, are a major social concern.

According to the Drug Addiction Research Foundation, the cost of drug abuse in Canada in 1984 totalled $11.5 billion. From 1976 to 1986, the number of violations of the Narcotics Act totalled 691,713. The number of persons convicted of these offences totalled 561,248.

The number of young people charged with a criminal offence under federal drug legislation was 4,767 in 1986 alone. More crimes, deaths, and disease will be inevitable in most Canadian cities if the expected increase in cocain and crack in the 90's materializes, since a report published by the mayor of Ottawa in June, *Drug Abuse: Not my kid*, revealed an increasingly serious problem with drug abuse.

Worse still, there is a shortage of treatment centres for youngsters under age 16. They must be sent to the United States, and that entails astronomical expenditures. Every day we can read newspaper articles on drugs and their devastating effects. Proliferating drug use creates a new threat to national security: the value of life is minimized, crime soars, and youg people ruin their lives for ever.

Police forces in the riding of Drummond have given priority to the fight against drugs. I am proud indeed to say that a commendable effort is being made in schools and within the whole community under the supervision of Director General Marcel Lefebvre and constable Rémi Thibault.

Training programs have also been made available to the Drummond Penitentiary staff, and theirs is the most elaborate drug addiction program in Québec.

In 1987 the Solicitor General of Canada announced the adoption of measures aimed at putting an end to drug trafficking. The Government has earmarked $210 million for this new strategy.

The Department of National Defence will provide more direct support in operations against drug dealers by making Canadian Forces aircraft and ships available to the RCMP.

The Minister of National Revenue announced that beginning last May 9 civil sanctions would be applied to discourage drug smuggling.

Other measures are to be taken to promote co-operation and an approach which reflects the national anti-drug strategy.

Awareness and prevention programs alone however will not put an end to the availability of drugs and the dependence they create.

Mr. Speaker, here is my question to the Solicitor General. Is it the Government's intention to introduce a stricter policy to fight against this insidious threat to our collective well-being by implementing strong measures to thwart drug dealers and users whose ranks have tripled over the past two years? All the more so because of the fact that, since President Bush unveiled his new antidrug program last September 5, drug dealers have been using Canada as a back door to gain access to the American market.

Considering that our media regularly report drug-related incidents, we have to come to the conclusion that we are before a fait accompli, an everyday occurrence.

In light of such deep concern, does the Government expect to increase border surveillance in an all-out antidrug war?

[*English*]

Mr. Benno Friesen (Parliamentary Secretary to Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, first of all I want to compliment the Member for Drummond for his consistent and his persistent interest and concern about the plague that has hit Canada and western countries, indeed around the world, and that is the drug abuse that is going on that is killing, injuring and maiming children all around the world.

I think the member will recall that a few years ago our Prime Minister spoke in Vancouver about the epidemic proportion of the drug problem in Canada. He was criticized and lampooned by editorial boards across Canada for his alarmist statements regarding this problem. I think Canadians now realize that he was right and that the hon. member for Drummond is correct. I listened carefully to the remarks he made in his statement just now. He has done careful research on this subject. It is indeed a war that we are engaged in. The member has shown concerns in various levels about the welfare of children.

I have a letter from a very articulate mother regarding the plight of her 14-year old child whom she had cared for carefully. But she did not realize that in a matter of four months the child had moved from the use of marijuana, unknown to the parents, to the use of hard drugs. Not even her best friends knew that the child was using this drug. This is the kind of a war that we are into.

The government is concerned that we attack it from every area we can. That is why the Department of Health and Welfare has initiated the national drug strategy and invested $210 million to educate young people and to attack this problem. That is why we have passed legislation, I think it is Bill C-61, whereby the government is now entitled to confiscate the profits from crime and in the first six months that that bill has been invoked, law enforcement officers have been able to confiscate $20 million across Canada from the profits of this crime.

• (1810)

That is just the beginning. I am sure that that is just the tip of the iceberg. The federal government is working with the provincial governments, through the RCMP, through the various agencies all across Canada, to educate, to apprehend and to confiscate. Those are the areas that we have to deal with and make sure that all levels of the government are co-operating in this war.

Again, I compliment the member for his intense pursuit of this subject because it is only if we in this House and people across the country take this same kind of intense interest in this subject that we will beat this war on drugs.

HOUSING—PERSONAL HOUSING COSTS—MINISTER'S POSITION

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I appreciate the opportunity to expand on my question to the minister responsible for housing that I asked last April, and that was why he abandoned his position of principle and why he was no longer holding out the 30 per cent ratio of personal income as a realistic figure for housing. I think over the last number of years we have seen an increase in housing problems in this country, particularly in affordability.

I want to make it very clear when I express concern about the 30 per cent guideline that has been in place by CMHC as a maximum amount that a family should be spending on shelter, I am not in the least bit worried about the family that has an income of $6,000 a month and is spending $3,000 of it on a quarter of a million dollar home. My concern is for the woman who is looking after two children on an income of $1,000 a month and is

spending $600 a month or 60 per cent of her income, leaving the family with only $400 and living in poverty because on $400 she cannot buy the basic necessities of food, clothing and medical care.

We have seen in the last years a number of things happening in housing in this country. There has been a sharp increase in the price of housing, particularly in Toronto and Vancouver. However, the real estate board, last Thursday, at the finance committee said there are 22 markets, not just two in Vancouver, where a serious problem has arisen because of fast escalation of housing prices.

We have seen since 1980 a decline in real family income. Sixty per cent of all single parent families now are headed by women who live in poverty. One point two million children in this country are now living in poverty. The number of two parent families that live below the poverty line has doubled since 1973. What we are facing is a growing number of Canadians, not the wealthy but middle and lower income Canadians, who because of poverty cannot afford housing or because of the high cost of housing are being driven into poverty. They have always had at least the federal government saying you should not be paying more than 30 per cent. Some hope. And the minister has backed away from that.

This federal government has done a number of things that almost seem to be designed to take a bad problem and make it worse. Let me just list a couple of them. They have continued with their high interest rate policy. Every increase in the interest rate of 1 per cent adds $100 per month to the mortgage payment on a mortgage of $150,000. The other thing that they have done is they have backed away from social housing programs. They have reduced their commitment to provide non-market housing. We have seen that in the reduction in the number of units that they are willing to build under co-op housing and the doing away with the rental RRAP program. Rental RRAP was a significant program for the poor in some cities. It did not work universally well. We have an increased problem of poverty with renters in this country. Forty per cent of all renters now start with an income below the poverty line.

In my riding, in the last six months, as vacancy rates have gone down developers have taken over peripheral housing rental units, given them a coat of paint, put cheap carpets on the floor and have increased rents anywhere from 30 per cent to 50 per cent to 70 per cent, taking them totally out of the ability of people on fixed or marginal incomes to pay.

Now we have probably the most devastating blow on housing that anyone could take, and that is the GST. The government said it would give a rebate that would make housing not change in price. It estimated that there would be a net increase of only $480. Nobody believes that. The Home Builders Association has done its own independent calculations and it shows the price on a typical house costing $150,000 will increase $3,025, an increase over what the government said of 630 per cent.

I have had a tax firm, Oates Anderson, do some calculations for myself, considering not only the increase on the cost of housing, but the impact of inflation on the GST and the driving up of interest rates by GST. What Oates Anderson show is that it is not going to be the $480 that the federal government says, it is not even going to be the $3,000 that the Home Builders say, the increase could be as high as $14,000 on an average house in Vancouver, which means an increase in down payment of $3,600 and an increase in monthly mortgage payments of $230 on the average price in Vancouver.

So, I ask the minister again: What hope does he hold out? Instead of simply saying, "If the goal is not attainable, let us move the goalpost", I think he has to hold out some hope for Canadians for affordable housing, particularly those in the middle and lower income brackets .

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, at the outset I want to make it quite clear that neither I nor the government have backed away from anything as far as helping Canadians with their housing problems.

I think the hon. member referred in his original question and has referred this evening to this 30 per cent figure. I would like to make it quite clear what that 30 per cent figure is all about.

There really are two aspects to the magic number of 30 per cent. First if a Canadian goes out to apply for a mortgage to a bank or a trust company, he or she will not get that mortgage unless his or her income is in excess of the total principal interest payments that that Canadian will make on the mortgage plus municipal taxes. That is one part of what the 30 per cent figure means.

The second relates to the question of assisted housing. That means you are not eligible for assisted housing under the rules and regulations in place unless your income exceeds 30 per cent; unless you are paying greater than 30 per cent of your income for your housing needs. Those are the two aspects referred to and to which the Hon. Member has been referring as far as the number 30 per cent is concerned in relation to housing.

I was quoted in *The Globe and Mail* back on April 24, with respect to this as follows: First, that Canadians can no longer assume 30 per cent of their income will buy reasonable accommodation. Second, that 30 per cent of income for housing is no longer realistic for many Canadians. I do not really believe that the hon. member can quarrel with those two statements. In fact, that is the case. Today, many Canadians have to spend much more than 30 per cent of their income on affordable housing. We need to try to make sure we can house as many Canadians as we possibly can. There is no question of backing away from the 30 per cent figure whatsoever.

• (1820)

What the government did when it came to power in 1984 was to put in place a new policy, a policy whereby all government housing money was directed toward the neediest, those who were spending in excess of 30 per cent of their income on housing. In fact, that was not the policy of the previous government. In fact, it has meant that about 40 per cent more needy people get housing assistance from that government funding than got assistance under the previous government's policy.

That sort of policy and the money that is spent by the government at the present time on assisted housing means that some 600,000 units or homes across the country receive assistance with housing. It means that this year will add something like 45,000 more assisted housing units to the total inventory of housing across the country.

That is the sort of thing we need to do. Unfortunately, that is not enough, obviously, and we have to do other things as well. Some of the things that the hon. member is aware we are trying to do at the moment are, first, make some more surplus government land available for housing that is affordable to Canadians. Hopefully, we will be doing it in the Vancouver area. We have done some in the Toronto area. Hopefully we will be able to do more.

Second, we have put in place some tripartite committees, federal, provincial and municipal. There is one in Vancouver. It met on September 12 and it is aimed at getting more land in place to produce more housing that is affordable to Canadians.

Third, we hope very shortly to have in place a regulatory reform process aimed at cutting the cost of housing through cutting the red tape involved in putting housing on the market and also in trying to improve the zoning regulations so that the housing being built will not be monster houses as are many of the homes in Vancouver, but starter ones affordable to Canadians.

The Acting Speaker (Mr. Paproski): The hon. minister's time has expired.

CANADA POST CORPORATION—REMARKS OF CONSTITUENT—MINISTER'S POSITION/PUBLIC RELATIONS ACTIVITIES

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, on Wednesday, June 21, I rose in this chamber during Question Period to ask the minister responsible for Canada Post about newspaper advertising carrying the signatures of community leaders from across Canada, including one from my own constituency.

What prompted me to rise was that preceding that date, on June 15, the Minister had quoted from this advertisement in this House of Commons naming my constituent and identifying his community of residence. I later contacted my constituent to find out more concerning the Canada Post ads of which the minister was most proud. To be clear, the ads in question state: "People in my community are benefiting from this postal service. It is good for the community". That statement is followed by 80 signatures of reeves, mayors and councillors from across the country.

Before proceeding with the problems with the specifics of the ad itself, I would like to mention the context in which that ad occurred. That context is an odious one. The advertising campaign of which this ad is a part aims to convince rural Canadians that Canada Post is in rural Canada to stay. As rural Canadians with whom I am familiar know all too well this is not the case.

Canada Post and the federal government along with it is pulling out of rural Canada. Why, Mr. Speaker? Canada Post and this federal government are using rural Canadians as scapegoats in their single-minded pursuit of profits for Canada Post at the expense of service, at the expense of jobs for rural Canadians, and at the expense of the communities themselves.

My constituent named in this House of Commons, Mr. Edward Kjargaard, is listed from Alticane, Saskatchewan, where some changes in postal service have taken place. What used to be a thriving community with three grain elevators is now just a hamlet with maybe 15 people. Mr. Kjargaard is not the reeve of Alticane, he is the reeve of the RM of Douglas in which the hamlet of Alticane is situated. He lives 30 miles from Alticane and gets his mail not from outdoor boxes at Alticane but from a rural route delivery service which originates in the urban centre of North Battleford. Mr. Kjargaard made this all very clear to the Optima Research employee who visited him to discuss post office services in Alticane. To make a long story very short, my constituent said he had a good conversation with the person from Optima, but had he known it would turn out the way it did, he never would have signed the release they gave him to sign. In fact he admitted it seemed that Canada Post was more interested in his signature than in his opinion.

To substantiate his words, Mr. Kjargaard has sent me a letter in which he states:

> Canada Post published my name in an advertising campaign but they never mentioned my concerns.

While all this was going on media reporters and politicians have called others quoted in that advertising campaign. As many as 10 of those 80 people have said that their signatures were used in a manner different than what they expected.

I asked the minister to apologize to my constituents, and to all of Canada, for allowing Canada Post to carry an advertising campaign which misrepresents the truth. I asked the minister to explain how Canadians could be expected to trust him and Canada Post in the future if this is the way they conduct their public business.

The government has chosen to place the interests of big business and the Conservative quest for privatization at any cost before the day-to-day needs of all Canadians for an efficient, reliable, accountable postal service. This government has chosen to condone Canada Post's ill-conceived attempt to fool all of the people all of the time with its multi-million dollar advertising campaign and to condone Canada Post's misrepresentation of rural Canadians as they have done with this ad in question.

Therefore, I call on the government to listen to rural Canadians, to listen to the communities of Elbow, Lintlaw, Dubuc, Denzil and Wilkie, Saskatchewan as well as all the other rural communities across Canada including those in Prince Edward Island where this summer municipal leaders across the island said "no" to retail postal outlets.

I call on the government to listen to these Canadians, to put service and jobs before profits, to fulfil the mandate of Canada Post to provide service and, therefore, to put an end to costly ad campaigns which misrepresent Canadians and to insist that Canada Post get back to providing and expanding service to all.

[*Translation*]

Mr. Benoît Tremblay (Parliamentary Secretary to the Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, I find it somewhat strange that the Hon. Member for The Battlefords—Meadow Lake (Mr. Taylor) would seem fit to raise this question again, since it already was put in exactly the same terms and the Minister gave a very clear answer, both as to the procedure followed to canvars luminaries or municipal elected city officials as to whether they supported an advertising campaign, whether they were willing to have their names published during an advertisement campaign they were very clearly informed as to the nature of what that campaign, its theme and advertisement contents. They were asked in the questionnaire to sign a release for their names to be published.

Although unhappy if someone mistakenly signed such a simple statement, I can only repeat, Mr. Speaker, that the statement on which the ads were based reads: "People in my community are enjoying this new postal service, it is good for the community". They were asked to sign the following form: "I basically agree with the above statement and I hereby authorize Post Canada to use my name as a municipal representative who believes that people in my community are benefitting from the new postal service". That very simple form was indeed signed.

I would therefore ask the Hon. Member to understand. His question was duly answered. Now he raises the matter again. Now, his statement includes a number of unsubstantiated allegations. We had a scientifically-made survey, the data are available, it was done by Gallup—97 per cent of rural Canadians are satisfied with the Canadian postal service and the reform of the postal system. Let me now repeat what the Minister told him.

Presumably he represents the other 3 per cent, which would explain his question, but our policy is based on the other 97 per cent of Canadians.

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m, pursuant to Standing Order 24(1).

The House adjourned at 6:30 p.m.

HOUSE OF COMMONS

Tuesday, September 26, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table in both official languages the government response to five petitions.

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

* * *

NUCLEAR WEAPONS ECONOMIC CONVERSION ACT

MEASURE TO ENACT

Mr. Dan Heap (Trinity—Spadina) moved for leave to introduce Bill C-256, an act to provide for the conversion to civilian uses of technologies and skills used in the nuclear weapons industry.

Mr. Speaker: Is it the pleasure of the House that the hon. member shall have leave to introduce the bill?

Some Hon. Members: Agreed.

Mr. Heap: Mr. Speaker, the purpose of this bill is to prepare for the termination of contracts for the production, repair, modification, storage or handling of materials used for nuclear weapons by encouraging the conversion of technologies and skills developed in or used in those nuclear weapons contracts to projects that serve the civilian sector and by preparing for the employment of individuals whose jobs may be lost by the termination of those nuclear weapons contracts.

I move that this be adopted.

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

* * *

CANADA REFERENDUM AND PLEBISCITE ACT

MEASURE TO ESTABLISH

Mr. Patrick Boyer (Etobicoke—Lakeshore)moved for leave to introduce Bill C-257, an act respecting referendums and plebiscites in Canada on questions of public importance.

Mr. Speaker: Is it the pleasure of the House that the hon. member shall have leave to introduce the bill?

Some Hon. Members: Agreed.

Mr. Boyer: Mr. Speaker, we have in Canada an Elections Act which permits the holding of general elections as required. We do not have enabling legislation to permit the holding of referendums or plebiscites when required in the national interest. This legislation would be the enabling law for that purpose.

I think it is important to complete the panoply of democratic instruments at our disposal by having such a law enacted by this House, and that is why I introduce it at this time.

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

* * *

CENTENNIAL FLAME RESEARCH AWARD ACT

MEASURE TO ENACT

Mr. Patrick Boyer (Etobicoke—Lakeshore) moved for leave to introduce Bill C-258, an act respecting the establishment of the Centennial Flame Research Award to publicize the contributions to Canadian public life of persons with disabilities.

Mr. Speaker: Is it the pleasure of the House that the hon. member shall have leave to introduce the bill?

Some Hon. Members: Agreed.

Mr. Boyer: Mr. Speaker, there is a Centennial Flame out in front of the Parliament Buildings and every year tourists who come here throw coins into it. I learned some months ago that all of that money is collected and simply goes into the Consolidated Revenue Fund. I felt

that there might be something more appropriate and symbolic that could be done with it. The purpose of this bill is to establish a fellowship using the proceeds from that which are collected annually, a fellowship to be administered by the Speaker to provide research into the contributions made to the Parliament of Canada and the public life of Canada by persons with disabilities.

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

* * *

PARLIAMENT OF CANADA ACT

MEASURE TO AMEND

Mr. Benno Friesen (Surrey—White Rock) moved for leave to introduce Bill C-259, an act to amend the Parliament of Canada Act (privileges and immunities).

Mr. Speaker: Is it the pleasure of the House that the hon. member shall have leave to introduce the bill?

Some Hon. Members: Agreed.

• (1110)

Mr. Friesen: Mr. Speaker, the members of this House have had undying privileges and immunities which we need to protect, but the public outside of this Chamber also has rights and privileges, civil rights and rights to privacy. This bill is designed to address those rights and to amend the immunities and privileges of the members of this House.

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

* * *

HOUSE OF COMMONS

PROPOSED ADDRESS BY KING OF JORDAN—BUSINESS OF THE HOUSE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, there have been discussions among the three parties of the House and I believe you will find unanimous consent for the following motion:

That, on Wednesday, October 11, 1989, His Majesty King Hussein I of Jordan address members of the House of Commons and Senate, in the Commons Chamber, at 11 o'clock a.m.; and

That His Majesty's address and customary related remarks by the Prime Minister and Speakers of both Houses be printed as an appendix to the *House of Commons Debates* of that day and form part of the records of this House, and shall be televised according to the House guidelines.

Mr. Speaker: Does the hon. parliamentary secretary have unanimous consent of the House to move the motion?

Some Hon. Members: Agreed.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

PETITIONS

PROPOSED GOODS AND SERVICES TAX

Hon. Herb Gray (Windsor West): Mr. Speaker, I am rising to present a petition on behalf of a number of citizens of Windsor, Ontario. This petition humbly prays and calls upon Parliament to reject the proposed goods and services tax.

In tabling this petition I want to note that several weeks ago the Liberals began a national campaign to enable Canadians to have their say directly as part of the parliamentary process through signing petitions.

Mr. Hawkes: Mr. Speaker, I rise on a point of order. I would like to call the attention of the House to the fact that the House Leader for the Liberal Party is going way beyond what our Standing Order say members are entitled to do in the presentation of a petition. I think it is obscene.

Mr. Speaker: I think I had better deal with this right away. I regret the hon. member's comment. I do not think that is necessary.

There are a number of petitions coming in this morning and they will deal with matters of great importance to the country. There is, however, a rule that those introducing the petitions must do so in a brief manner and cannot stray beyond appropriate comments. I say, of course, with regret that the hon. member for Windsor West is perhaps going beyond that. I anticipated an interruption, and it has been made. I ask all hon. members to comply with the the practice in the House.

Mr. Gray (Windsor West): Mr. Speaker, with respect to the point of order, I had simply wanted to conclude and explain that the petitions we were tabling today were in response to requests by large numbers of Canadians to have their say directly as part of the parliamentary process by signing petitions.

We were beginning today to table petitions in conformity with the rules. We have very large numbers of petitions. We do not intend to try to table all of them today, but for days and days to come we will be giving Canadians a chance to plug directly into the parliamentary process to express their opposition to the government's goods and services tax.

Some Hon. Members: Hear, hear!

Mr. Gray (Windsor West): Mr. Speaker, the government through the party Whip has just shown its contempt for the views of ordinary Canadians.

Mr. Speaker: I am afraid I am going to have to be strict here. I know the hon. member for Windsor West is rising on the same point of order as the hon. member from the government side rose on. I can allow some leeway, but I think this is getting into debate and I am going to move strictly to petitions.

Mr. Gray (Windsor West): Mr. Speaker, I give you notice now that I respectfully ask you to request the Whip to withdraw the term "obscene", as I think it is a contempt of Parliament to say that a member in carrying out his parliamentary duty on behalf of Canadians when it comes to tabling petitions is doing something obscene. I think this is unparliamentary and it is an insult to the people of Canada, and I ask that you rule that the hon. member should withdraw his words.

Some Hon. Members: Hear, hear!

Mr. Hawkes: Mr. Speaker, I would be very happy to withdraw any remark which the House Leader of the Official Opposition finds offensive. I do think that respect for Parliament requires all of us, and especially people charged with additional responsibility such as House Leaders, to respect the traditions of the House and the rules of the House, and I would hope that we will do so.

Mr. Gray (Windsor West): This gentleman is the last person to give me, of all people, lectures on parliamentary traditions.

Some Hon. Members: Hear, hear!

Mr. Speaker: The hon. member for Calgary West has I think withdrawn the word which has been complained of, and again, I would ask that hon. members get on with presenting their petitions.

Mr. Riis: Mr. Speaker, before I present my petition I would like to rise on another point of order, and that is regarding the processes of having our petitions certified.

I think all members would have found that there is an incredible backlog at the moment in the office where the petitions have to be certified. I want to make the point that this is in no way a reflection on the people involved in the office that certifies our petitions, but many of us have had petitions in for at least three weeks and are still waiting for them to be processed.

Perhaps I would ask you, Mr. Speaker, and your office, to examine the problem and see if there is not some action that can be taken to rectify it.

We have an obligation to present the petitions that are signed by our constituents as soon as possible. To have them sitting in some office for three, four or five weeks is not acceptable.

Mr. Speaker: I take seriously the intervention of the hon. member for Kamloops, and I know that other members have had the same problem.

I would advise the House that four more people have been assigned to deal with the petitions and, as the Hon. House Leader of the Official Opposition made clear in his earlier remarks this morning, there are going to be a lot of petitions. We will make every effort that we can to ensure that they are expedited as efficiently as possible.

The point is well taken, and I say to other hon. members, including the hon. member for Windsor West, that we will try to move these petitions as quickly as possible. It is not lack of concern for the importance of the subject matter or for the numbers; we are doing the best we can. If we are still having difficulty in a day or two, I would expect hon. members to make representation to me and I will see what we can do.

Mr. Gray (Windsor West): Mr. Speaker, I appreciate your comments, and to assist the House, when the the government Whip rose to his feet I was simply trying to explain that we have a large number of petitions and why we have such a large number of petitions, but to assist the staff of the House we did not intend to try to table them all at one time.

Rather, because of their volume, representing the feelings of so many Canadians, we were going to try to space them out over a period of time to assist the House and yet, at the same time, do our parliamentary duty. If the Whip for the government had simply allowed me to complete my remarks, we would have made a lot more progress than we have so far in the work of the House.

Some Hon. Members: Hear, hear!

• (1120)

Mr. Speaker: Before we proceed, I think I am still correct that the hon. member for Windsor West did not yet present his petition. In the spirit of Parliament, I would not want to see a distinguished member of this place let this slip by, despite the fact that he, of course, on the basis of other duties which he occupies, had to take a part in the recent exchange.

Mr. Gray (Windsor West): Mr. Speaker, I appreciate your fairness in this regard.

Actually I have to say, to be fair about it, the petition I was presenting has been accepted by the House because one of the clerks has received it, but now that you are giving me this opportunity I am delighted to rise to my feet to present another petition from a number of people in the Ottawa—Vanier area.

[*Translation*]

—they speak French and they humbly pray and call upon Parliament to reject the proposed goods and services tax.

[*English*]

Mr. Speaker: Just to assist hon. members, since there are a lot of petitions we might as well concentrate on what the rules are.

I am reading from the *Annotated Standing Orders*, page 111:

> Several conditions apply to the presentation of petitions in the House during Routine Proceedings, the most notable of which is the prohibition on "debate on or in relation to" petitions presented in this way noted in Standing Order 36(7). In 1986, the Speaker issued guidelines which not only reiterated the provisions of Standing Order 36(7), but also invoked the practices which had evolved on the manner of presenting petitions:
>
> When presenting a petition during Routine Proceedings, the Member may make a brief summary of the Prayer of the petition, state the parties from whom it comes and the number of signatures it contains, but may not make a speech or enter into debate on or in relation to the petition. The Member should also indicate that the petition has been certified in order, pursuant to the Standing Orders.
>
> The Members should also note that they will be given the floor only once in a sitting to present all of their petitions.
>
> It has long been deemed irregular for the Speaker to present a petition—

That is not applicable.

I do ask for the co-operation of members, and I make quite clear that there are a great many petitions and that in the interests of those who have signed these petitions we should move with dispatch. We can do that best by sticking to the rules.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is indeed an honour to present a petition pursuant to Standing Order 36 that has been certified correct on behalf of a number of Canadians who point out at some length the unfairness in our tax system.

They are of course concerned with the recent decision to initiate this general sales tax of 9 per cent on every Canadian. They are simply asking the government to have some understanding in terms of the tax burden that citizens already face, the fact that it is so unfair and that this 9 per cent simply makes it more unfair.

That is the first petition.

VIA RAIL SERVICES

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I have a second petition signed by a number of western Canadians who are very concerned that the government has decided to curtail a good deal of VIA rail passenger service.

Again, I point out at some length all of the reasons that they feel this is a rather stupid idea. They are simply calling upon Parliament to maintain the existing VIA network, and they are calling upon Parliament to ensure that VIA equipment is upgraded to allow them to compete in the transportation market. They want to guarantee VIA sufficient support to carry out its mandate, which is of course to provide passenger rail service in the country.

FOREST RESOURCE DEVELOPMENT AGREEMENT

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I have petition on a totally different topic having to do with the legislation before the House today dealing with the forest industry.

These petitioners are from British Columbia. They are concerned that the government seems to be dragging its feet on signing the federal-provincial forest resource development agreement.

Mr. Oberle: You're dragging your feet about this tax.

Mr. Riis: The minister now is dragging something else.

The petitioners are pointing out that they need to receive a signal from this government that it will continue to take the forest industry seriously.

The fact that it has been dragging its feet and is not prepared to make any commitment has encouraged them to sign this petition asking it to smarten up, basically.

REVISION OF EXTRADITION LAWS

Mr. Bill Domm (Peterborough): Mr. Speaker, I have the privilege of presenting petitions to the House today, certified by the clerk, pursuant to Standing Order 36. Despite the statements made here today, we have had 72,431 such petitions certified without difficulty through the help of the Speaker's office.

Today's petition contains 7,135 signatures. It calls on the Government of Canada to revise the extradition laws which would allow the Minister of Justice to order the extradition of fugitives, either immediately or after they have been dealt with fully by the Canadian penal system, not having to wait until they have served all of their sentences.

I am pleased to present these petitions, most of which came from Ontario, and this brings the grand total to 72,431 petitions.

PROPOSED GOODS AND SERVICES TAX

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I have a petition signed by a number of people in the Windsor area. They ask the government to rescind its 9 per cent sales tax and to come forth with a policy that is fair to all Canadians. They petition this House to be heard and humbly pray that the government is listening to this petition.

I have another petition, which I will present at the same time with your permission, Mr. Speaker. This petition is also from the Windsor area. The petitioners ask the government to rescind its 9 per cent sales tax and to bring forth a fair system for all Canadians, and they feel that the government is being unfair to the middle and lower income people of this country.

The petitioners ask the government to look again at its whole tax system and to bring forth a fair system for Canadians, and indeed, to rescind this 9 per cent sales tax which they look upon as the ruination of the economy of Canada and of the middle and low income people of this country.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I rise to present a petition on behalf of a number of Canadians. I think this moment is particularly significant as I believe these people and I, who of course have signed the petition, are going to be some of the signatories of one of the largest petitions in Canadian history ever to come before this Chamber when the throngs of petitioners now out there in the shopping malls get a chance to sign their names to voice their opinions on this particular issue.

The prayer of the petitioners is that Parliament reject the proposed goods and services tax. I hope Parliament will hear that prayer.

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I present a certified petition to the House of Commons on behalf of those residents of Canada who now avail themselves of their ancient and undoubted right to present a common grievance to this House.

These Canadians strongly oppose the new goods and services tax that is an unprecedented tax, a tax grab from the pockets of Canadians, which will hit them not only with higher taxes but with higher inflation, higher interest rates and higher unemployment.

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, it is a privilege for me to rise on behalf of the good residents of the riding of Timmins—Chapleau. I have a petition, duly certified, dated May 3 of this year—not the summer but May—from the good residents of Timmins—Chapleau opposing the goods and services tax which has been put forward by this government.

The petitioners humbly pray that the government will review the goods and services tax to ensure that there is no taxation on goods and services such as loans, the arts and other non-luxury items among other things. It is my pleasure to present this petition.

• (1130)

REVISION OF EXTRADITION LAWS

Mr. Bob Horner (Mississauga West): Mr. Speaker, pursuant to Standing Order 36, I have the honour to present petitions which have been certified by the clerk.

The hon. member for Peterborough mentioned that there have been 72,431 names. Here are 4,318 more signatures which call on the Government of Canada to revise the extradition laws which would allow the Minister of Justice to order the extradition of fugitives either immediately or after they have been dealt with fully by the Canadian penal system.

I have the honour to present this petition.

OPPOSITION TO GOODS AND SERVICES TAX

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, it is my duty to present a petition on behalf of a number of residents in the riding of Ottawa—Vanier, who humbly pray and call upon Parliament to reject the proposed goods and services tax.

The Conservative Government wants to force a new and universal 9 per cent tax on goods and services on Canadians. The tax will be hidden in the sale price. It will not be fair to consumers and will put small businesses to considerable expense.

Mr. Speaker, petitioners strongly object to the proposed goods and services tax which they feel constitutes an unprecedented attack on the incomes of Canadians and would not only raise the level of taxation but also subject Canadians to higher inflation, higher interest rates and a very high unemployment rate.

[*English*]

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, pursuant to Standing Order 36 I, too, have a petition. I am happy to present it on behalf of a number of Canadians who are concerned about the proposed goods and services tax and who call upon Parliament to reject the tax.

I also have a second petition duly certified by the clerk, and this petition, too, is signed by a number of Canadians who want no part of the tax. They feel that it will cause higher inflation, higher interest rates and higher unemployment.

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, I have the honour and privilege to present a petition signed by the residents of Hamilton Mountain.

The petitioners have spoken out overwhelmingly against the Conservative government's proposed 9 per cent goods and services tax. The petitioners humbly pray and call upon the House to reject the Conservative government's 9 per cent goods and services tax proposal.

REVISION OF EXTRADITION LAWS

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, I have the honour to present petitions which have been certified by the clerk, pursuant to Standing Order 36.

This petition, which contains 5,088 signatures, calls upon the Government of Canada to revise the extradition laws. This would allow the Minister of Justice to order the extradition of fugitives either immediately or after they have been dealt with fully by the Canadian penal system.

This brings to over 80,000 the number of petitioners' names that have been presented in the House of Commons calling upon the government to do this.

VIA RAIL PASSENGER SERVICE

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have a petition signed by 40 residents primarily of Victoria and Vancouver which has been certified by the clerk of petitions.

The petitioners point to the value of VIA Rail and the importance of not only maintaining, but increasing the service and the operation. They call upon Parliament to maintain the existing VIA network, upgrade the equipment and guarantee VIA sufficient support to carry out its mandate to provide passenger service.

I also have petitions bearing 5,000 names that have been forwarded to me by Canadians from across the country. Unfortunately they are not in a form that allows us to table them here so I will be passing them over to the Prime Minister to let him know how the people of Canada feel about his policies.

PROPOSED GOODS AND SERVICES TAX

Mr. Stan Keyes (Hamilton West): Mr. Speaker, I have the honour and duty, pursuant to Standing Order 36, to present to the House a petition on behalf of the constituents of Windsor West, Ontario. In fact, thousands of constituents in my riding of Hamilton West add their voice to these concerned Canadians who have signed petitions calling upon the government to reject the proposed goods and services tax.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, I have the honour to rise and present to this House of Parliament on behalf of many concerned Canadians, like the residents of Winnipeg North, a petition confirmed by the clerk, pursuant to Standing Order 36 with respect to the government's proposed goods and services tax which, if allowed to pass, will harm most Canadians including the petitioners who now seek a remedy from this House to reject the proposed GST, perhaps best to be known as the "Gouge and Squeeze Tax."

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I have the honour and privilege to present a petition signed by Canadian citizens, pursuant to Standing Order 36. The attached petition is certified correct in form and content and co-signed by myself.

[*Translation*]

Mr. Speaker, this summer I had the privilege of drafting a petition and sending it to all Canadian ridings, to the presidents of riding associations and to the members of my party. I have started to receive copies of this petition which it is my privilege to present. The petition is against the Government's proposed legislation regarding the GST, in other words, the goods and services tax.

Mr. Guy H. Arseneault (Restigouche–Chaleur): Mr. Speaker, I have the honour and the privilege of presenting this petition, which conforms to Standing Order 36.

[*English*]

It is a petition, Mr. Speaker, which was duly signed by a number of Canadians who are opposed to the government's goods and services tax because it is going to cause serious and unfair hardship to low and middle-income Canadians. I have the honour of presenting this petition.

BACKLOG OF REFUGEE CLAIMANTS

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I have a petition from a number of residents of Toronto, Willowdale and Etobicoke who are concerned that because of underfunding and mismanagement of the refugee program in Canada, a number of people in the backlog are being denied work permits. Therefore, they petition this House to ensure that all those who have claimed refugee status will get immediate work authorization and that when they are considered on humanitarian and compassionate grounds, those grounds will include the presence in Canada of relatives, the successful establishment of the claimant and the circumstances of war or oppressive governments and natural disasters in their home countries.

LOW LEVEL MILITARY FLIGHTS

Mr. Dan Heap (Trinity—Spadina): I have also a petition of about 250 names from Canadians living in Toronto, Kingston, Regina, several cities of Ontario, British Columbia and the prairies.

They are concerned for the Innu people and the low level flights and other military air training carried on, or planned to be carried on, in their area. Therefore, they ask Parliament to support the request of the Assembly of First Nations and of the Innu of Labrador in stopping all NATO and NORAD low level flight training in Canada, opposing the establishment of NATO operations in Canada such as at Goose Bay, and redirect Canada's NATO and NORAD funding towards enabling Canada's aboriginal peoples to regain control of their lands and their livelihood, promoting sustainable development for all Canadians.

PROPOSED GOODS AND SERVICES TAX

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, I have the honour of presenting a petition pursuant to Standing Order 36, signed by average Canadians who are objecting to the GST, otherwise known as the general suffering tax.

Mr. George S. Rideout (Moncton): Mr. Speaker, I have the pleasure, pursuant to Standing Order 36, to present this petition on behalf of citizens of Canada who are opposed to the goods and services tax. I think we all realize that Canadians are opposed to this tax, and it is with pleasure that I present this petition.

Mr. George Proud (Hillsborough): Mr. Speaker, I rise pursuant to Standing Order 36 to present this petition signed by many Canadians opposing this goods and services tax. I have the honour now to present this petition.

Mrs. Christine Stewart (Northumberland): Mr. Speaker, I have the honour and privilege of presenting, pursuant to Standing Order 36, a petition signed by several Canadians who object to the proposed legislation referring to the goods and services tax. Thousands of people spoke to me in my riding in opposition to this proposed legislation and begged that something be done to demonstrate on their behalf here in the House, and I am pleased today to be able to present their objections to this proposed legislation.

• (1140)

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, I rise also under Standing Order 36 to present a petition by a number of Canadians who are concerned about the goods and services tax. They are concerned about the tax of the government opposite and they feel deeply betrayed by this government.

They humbly pray and call upon Parliament to reject the proposed goods and services tax.

Mrs. Diane Marleau (Sudbury): Mr. Speaker, it is my duty and indeed my pleasure to present a petition that was gathered in Sudbury in my riding. It was gathered with the help of a number of senior citizens who are extremely upset with the proposed goods and services tax. Would you please accept this petition on their behalf.

[*Translation*]

Mrs. Shirley Maheu (Saint-Laurent): Mr. Speaker, I have the honour and the pleasure, pursuant to Standing Order 36, to present to you a petition from some constituents of mine who live in a part of Cartierville that lies within my riding. They are deeply concerned about Government Bill proposing a tax.

They ask:

That Parliament reject this new tax on goods and services.

[*English*]

And as well, Mr. Speaker, I have a petition under Standing Order 36, also from the Saint-Laurent part of my riding. The citizens are concerned because they feel that it will cause serious and unfair hardship to low and middle-income Canadians and they also humbly request Parliament to reject the proposed goods and services tax.

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, it is an honour to rise in this Parliament today. I wish to present a petition on behalf of the citizens of Canada who oppose this goods and services tax. This tax will create a large burden on small business, agriculture and fisheries.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker. I too rise today in accordance with Standing Order 36 to present a duly certified petition to the Parliament of Canada from a number of concerned Canadians. They are concerned about the excessive taxation regime of the government opposite, who since 1984 have on 31 occasions raised taxes. But mostly they are concerned about the proposal for a new goods and services tax and humbly ask this Parliament to ask the government to reject this regressive tax.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I have the honour and the privilege today to present a petition pursuant to Standing Order 36. It is properly certified, I advise, Mr. Speaker, by the clerk. It is signed by several hundred petitioners from my adopted city of Windsor, Ontario. It gives me great pride to indicate their opposition to the proposed goods and services tax, or as my friend properly indicated, general suffering tax.

Mr. Bob Wood (Nipissing): Mr. Speaker, it is an honour and a privilege to rise today to present a petition, pursuant to Standing Order 36, on behalf of the people of Nipissing which takes in the cities of North Bay, Sturgeon Falls, and Mattawa. The petition deals, of course, with the unfairness in our tax system. We call upon the Conservative government to reject the proposed goods and services tax.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I rise on this occasion to present a petition in accordance with Standing Order 36, duly documented and certified by the clerk. This petition is from Canadians who are worried, upset and disillusioned by this unprecedented tax measure and they humbly pray and call upon Parliament to reject the government's proposed goods and services tax.

VIA RAIL PASSENGER SERVICE

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I have the honour and duty to present two petitions today, and first of all, to remind members of the number of trees that will be cut down to print today's *Hansard*.

My first petition, Mr. Speaker, calls upon the government to live up to its original pledge to support VIA Rail, to abandon plans for further cuts to VIA's budget and to provide the necessary resources to allow VIA to operate as a modern, effective transportation company rather than a museum.

This petition is signed by residents of Smithers, Houston and Telkwa in northern British Columbia.

FOREST RESOURCE DEVELOPMENT AGREEMENT

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): My second petition concerns the subject matter that we are dealing with today, the forest legislation. This is a petition signed by residents of northern British Columbia; Fort St. John, Dawson Creek and Prince George, urging this government to review the forest resource development agreement with the province of B.C. because of its contribution to the reforestation of our lands in B.C.

PROPOSED GOODS AND SERVICES TAX

Mr. Jim Jordan (Leeds—Grenville): I have the honour to present a petition under Standing Order 36, along with hundreds of thousands of other ordinary citizens, objecting to the 9 per cent goods and services tax. The petition has been duly signed, endorsed and signed by the required number of petitioners. It is a pleasure to present this.

Mr. Maurice A. Dionne (Miramichi): Mr. Speaker, I have the honour and privilege to present a petition pursuant to Standing Order 36, on behalf of numerous Canadians, protesting this terrible gouging tax which is about to be imposed upon us.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, it is my pleasure to present a petition signed by 30 residents of the city of Ottawa who object to the goods and services tax that has been proposed by this government. The petitioners urge the Parliament of Canada to reject the tax.

[*Translation*]

Mr. Fernand Robichaud (Beauséjour): Mr. Speaker, I am pleased to rise to present to this Hon. House a petition from people in the Ottawa region.

These people of Ottawa, just like the people in Beauséjour, object to this taxation project because they worry that this new tax will cause great and unfair hardships for low-and middle-income families.

They humbly ask Parliament to reject this new tax.

[*English*]

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, on behalf of concerned Canadians I have the privilege and duty to present a petition under the provisions of Standing Order 36, duly certified by the clerk.

This petition expresses the outrage and betrayal felt by Canadians at the government's latest proposed initiative of imposing the goods and services tax.

The petitioners humbly request that their plea be heard and that this government reject this regressive tax.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, on behalf of the senior citizens of my riding and all the small businesses, I have the honour to present a petition under the provisions of Standing Order 36. The petitioners call on parliament to reject the goods and services tax as they do not want to be turned into accountants and bookkeepers.

Mr. Joe Fontana (London East): Mr. Speaker, I am honoured to present a petition under Standing Order 36, on behalf of Canadians who clearly implore this government to cancel its proposed goods and services tax, a tax which will hurt every man, woman and child in this country.

Mr. Rex Crawford (Kent): Mr. Speaker, I am honoured today to present a petition pursuant to Standing Order 36 on behalf of concerned Canadians of Ottawa—Vanier who are not in favour of the goods and services tax. The petitioners humbly request the House to reject this bill.

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, it gives me great honour and pleasure to stand before you and present a petition under Standing Order 36 on behalf of the residents of Kenora—Rainy River and those tourist operators who know that in 1991 there will no longer be any jobs for them.

It gives me great pleasure to ask the government opposite to consider not imposing a tax that will do severe harm to the tourist industry of Canada.

Ms. Mary Clancy (Halifax): Mr. Speaker, it gives me great honour today to rise in the House to present a petition pursuant to Standing Order 36 on behalf of a group of concerned Canadians.

The concerned Canadians strongly oppose this new goods and services tax and, on behalf of them, I humbly pray and call upon Parliament to reject the proposed goods and services tax.

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, I rise in the House today, pursuant to Standing Order 36, to present a certified petition on behalf of concerned Canadian citizens, specifically the constituents of the riding of Western Arctic, who oppose the proposed goods and services tax which will create an onerous burden on small business and which will cause serious and unfair hardship to low and middle-income Canadians.

• (1150)

Northerners cannot afford to have an increase on transportation, communications, and other basic goods and services in an area already burdened with an extremely high cost of living.

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, I rise to present to Parliament a petition duly signed and certified pursuant to Standing Order 36 from the residents of the federal riding of York North.

The residents, workers, seniors, students and business persons strongly oppose this proposed 9 per cent goods and services tax which they feel will have negative social and economic impact on their lives.

The opposition is based upon the fundamental economic and social realities that this tax will increase inflation, increase unemployment, increase interest rates, and is a nightmare to administer. On their behalf I urge this Parliament to reject the proposed tax.

Mr. Maurice Foster (Algoma): Mr. Speaker, it is my honour to present a petition on behalf of many Canadians who are very concerned about the goods and services tax. They believe it is a tax grab that has an adverse effect on tourism and that it will be a nightmare for small business to administer. Therefore they humbly pray and call upon Parliament to reject the new proposed goods and services tax.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, pursuant to Standing Order 36 it is my honour and privilege to present to the House a petition calling upon the Government of Canada to reject the proposed GST, or goods and services tax, or grief and suffering tax. This petition is signed by 30 residents of the great constituency of Windsor West, so ably represented by our very distinguished, honourable and learned colleague sitting immediately in front of me.

RCMP DRESS CODE

Mr. Benno Friesen (Surrey—White Rock): Mr. Speaker, I have the honour to present two petitions from constituents of mine. The first one, with about 120 signatures, reads: "Whereas the RCMP has a long and honourable tradition known and admired around the world, and whereas the distinctive uniform is recognized and respected by the public and other police forces in Canada and other countries, we see no merit, or value, or reason to allow changes in the RCMP uniform or dress code."

It goes on to address their disagreement with the proposed changes to the RCMP dress code.

OLD AGE SECURITY

Mr. Benno Friesen (Surrey—White Rock): I have a petition with about 40 signatures from a group of citizens in the Newton area of Surrey who disagree strongly with the government's proposal to deal with the $50,000 ceiling of retired people and withhold OAS payments.

PROPOSED GOODS AND SERVICES TAX

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, pursuant to Standing Order 36, I too have the honour of presenting petitions from Canadians who oppose the government's proposed goods and services tax. The petitioners claim that the proposed new tax will create undue hardships on low and medium income families and on small businesses. The petitioners are, in plain language, asking this government, telling this government, to scrap the GST.

Since I am the last one presenting a petition today, Mr. Speaker, I would like to congratulate you on the efficient manner in which you accepted these petitions from right across Canada on this important topic.

Some Hon. Members: Hear, hear!

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk)

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, the following questions will be answered today: Nos. 53, 64, 85, 88, 92, 94, 95, 98, 99, 101, 103, 104, 105, 107, 108, 110, 116, 117, 118, 119, 120, 121, 123, 124 and 125.

[*Text*]

CANADIAN JOBS STRATEGY PROGRAMS

Question No. 53—**Mr. Volpe:**

For the Canadian Jobs Strategy programs in the regions of Hamilton, Kingston, Peterborough, Sault-Ste-Marie, St. Catharines-Niagara and Thunder Bay, what is the (a) number of applications (i) submitted (ii) approved (b) amount of funding (i) requested for proposed programs (ii) provided for approved programs (c) break-down of the type and number of participants in approved programs (d) number of (i) proposed (ii) approved programs within the different occupational sectors, as defined in detail by Statistics Canada (e) impact rate for the approved programs within the specific occupational sectors?

Hon. Barbara Jean McDougall (Minister of Employment and Immigration): The reply to the subject question for fiscal year 1988-1989 is below.

(a)	(i)*	(ii)
Hamilton	369	369
Kingston	210	205
Peterborough	119	116
Sault Ste Marie	171	164
St. Catherines / Niagara	206	200
Thunder Bay	350	350

(b)	(i)	(ii)
Hamilton	4,423,496	4,103,598
Kingston	1,829,622	943,534
Peterborough	678,224	433,365
Sault Ste Marie	2,236,440	1,753,470
St. Catherines / Niagara	2,576,224	2,272,398
Thunder Bay	1,480,985	1,503,091

(c)	**Total number of participants	Women	Natives	Disabled Persons	Visible Minorities	Youth	Social Assistance Recipients
Hamilton	854	201	24	43	55	128	186
Kingston	317	66	3	7	8	31	38
Peterborough	181	23	6	8	9	27	19
Sault Ste Marie	488	150	63	24	7	140	210
St. Catherines / Niagara	575	117	13	19	10	65	80
Thunder Bay	578	87	106	9	9	92	74

(d) Not available

(e) Not available

* Applications entered in the data base comprise only those which have been submitted by the Region to National Headquarters for approval.

** Participation under the various target groups are not added to form this total as one participant could be a representative of more than one target group.

FRUIT PRODUCTS

Question No. 64—**Mr. Whittaker:**

For (a) Veterans' hospitals (b) prisons under the authority of the government (c) Armed Forces bases (i) what is the total consumption of fruit products (ii) in what locations are they purchased?

Mr. Albert Cooper (Parliamentary Secretary to the Leader of the Government in the House of Commons): I am informed as follows:

(a) Insofar as the Department of Veterans Affairs is concerned, the total consumption of fruit products for the fiscal year 1988/89 and locations they are purchased are as follows:

Ste. Anne's Hospital:

(i) Total $252,752.00; (ii) Breuvage Moccomat Limitée; Produits Star Appetizing; Dellixo Inc.; Les Aliments Trois Frères Limitée; Metro Richelieu Inc.

Rideau Veterans Home:

(i) Total $35,374.72; (ii) Fine's Fine Foods; Slipacoff's

Saskatoon Veterans Home:

(i) Macdonald Consolidated; Pride Beverages Limited; Sunspun Products Limited; Scott National Products; Kawanis; Real Canadian Super Stores; Palm Dairies; Canadian Safeway

(b)Insofar as the Ministry of the Solicitor General is concerned, the total consumption of fruit products in dollar value by region for federal institutions for the fiscal year 1988/89 is:

(i)

Region	Fresh Fruits	Canned Fruits	Fruit Juices	Total
	$	$	$	$
Atlantic	39,118.84	14,886.94	13,806.16	67,811.94
Quebec	106,560.00	76,576.00	48,000.00	231,136.00
Ontario	104,331.00	124,805.00	10,221.00	239,357.00
Prairies	86,880.30	85,639.94	23.158.60	140,294.40
Pacific	53,702.40	63,434.40	23,157.60	140,294.40
Total	390,592.54	365,362.28	146,458.82	902,413.64

(ii) All fruit products are bought through food product suppliers in the regions where the institutions are located. Standing offers are established through Supply and Services Canada. A small portion of the fruit products, such as seasonal fruits are purchased through local suppliers.

Locations:

Atlantic: Moncton and Halifax; Quebec: Montreal and Quebec City; Ontario: Toronto and Kingston; Prairies: Winnipeg, Regina, Saskatoon and Edmonton; Pacific: Vancouver, Victoria and Abbotsford

(c) Insofar as the Department of National Defence is concerned:

(i) The exact quantity of fresh fruit consumed by the Canadian Forces in a given year cannot be specified, but it was estimated at one million kilograms during fiscal year 1987/88. Data is unavailable for fiscal year 1988/89. In addition, Canadian Forces personnel will consume some 134,000 cases of canned fruit products over a typical one-year period. This data applies to Canadian Forces units in Canada only, as overseas units do not normally receive Canadian food products.

(ii) Fresh fruits are purchased through regional offices of the Department of Supply and Services. The purchasing period does not correspond to the Government's fiscal year, nor does NDHQ have any ready means of capturing the precise dollar value of the purchases. Canned fruit products are procured annually through national contracts, awarded on the basis of lowest tender, by the Department of Supply and Services. Both fruit producers and fruits distributors bid on these contracts. It is not possible to specify the location of these purchases, as a distributor may acquire produce from several sources. The total dollar value of these purchases was $2,429,697.

CHARLES NG

Question No. 85—**Mr. Kindy:**

To the knowledge of the government, what is the overall cost to all levels of government of the (a) incarceration of (b) prosecution and defence of (c) court proceedings involving (d) meetings and negotiations with United States officials concerning (e) government hearings concerning (f) person-hours involved of all agencies concerned with (g) all other expenses incurred with regard to Charles Ng in Canada?

Mr. Albert Cooper (Parliamentary Secretary to the Leader of the Government in the House of Commons): The following Departments were requested to provide information:

Department of Justice

It is not possible to estimate the costs, person hours and all other expenses expended on the Ng case. The case is ongoing and costs are continuing to be incurred on a daily basis.

Canada Employment and Immigration Commission

No direct costs have been incurred by the Commission with respect to Mr. Ng. The Commission's only involvement has been in keeping abreast of the case and the responding to of representations.

Department of External Affairs

There have been no direct expenses incurred with regard to Charles Ng in Canada. The Department did respond to letters from the public concerning the case but the cost factor is relatively negligible, as it involved only about 20 person hours. The Consulate General in San Francisco also expended about 30 person hours replying to inquiries from the American public.

Correctional Service of Canada (CSC)

Based on the average annual cost of maintaining an offender in a maximum security institution, the overall cost of incarceration from the date of admission to a federal institution, December 17, 1985 to May 16, 1989 is $206,753.18.

CSC cannot calculate individual person hours required for the maintenance and control of an offender due to the number of institutional staff involved. An inmate incarcerated in a federal correctional institution is involved with his case management officer, may require to see the physician, is seen by the psychologist and/or psychiatrist, is escorted by correctional officers, etc. All institutions are manned on a 24 hour basis.

All these factors and others from part of the above average annual cost.

Royal Canadian Mounted Police (RCMP)

To the date of the question, the RCMP has recorded 2,426 hours and expended $26,023.15 (excluding salary costs) in relation to the Charles Ng proceedings/investigation. Expenses continue to be incurred; however, they are not captured in a manner that provides a breakdown by activities as requested.

BUSINESS EXPENSES—FREE TRADE AGREEMENT

Question No. 88—**Mr. Nystrom:**

1. Did any (a) corporations (b) individuals claim as a business expenses any contributions made to any agencies, organizations or individuals working in support of the Canada–United States Free Trade Agreement and, if so (i) what number (ii) what was the value of each claim (iii) what percentage of each claim has been allowed?

2. Did any (a) corporations (b) individuals claim as a business expense any contributions made to any agencies, organizations or individuals working against the Canada–United States Free Trade Agreement and, if so (i) what number (ii) what was the value of each claim (iii) what percentage of each claim has been allowed?

Hon. Otto John Jelinek (Minister of National Revenue): 1. and 2. The Department is aware, through the routine audit program examination of the books and records of corporations and individuals carrying on business, that claims have been made as business expenses for contributions incurred in support of or to oppose the Canada–United States Free Trade Agreement.

These expenditures would not necessarily be specifically identified in the financial statements filed with the income tax return. Further, there is no special audit program directed at business expenses in support of or against the Canada–United States Free Trade Agreement. These business expenses are reviewed in the normal course of audits of taxpayers books and records. Accordingly, no aggregate statistical information is available.

PROJECTS SUBMITTED TO ENVIRONMENTAL ASSESSMENT AND REVIEW PROCESS

Question No. 92—**Mr. Caccia:**

For (a) the Daishowa pulp and paper mill in Alberta (b) the Alberta Pacific Forest Industry pulp and paper mill in Alberta (c) Repap's expansion of Manforest's pulp mill in The Pas, Manitoba (d) the Husky heavy oil upgrader in Lloydminster (e) the Vancouver Island Gas pipeline (f) the Oslo oil sands (g) the Hibernia off-shore oil development (h) Phase II of the James Bay hydro development (i) has the project been submitted to the environmental assessment and review process and, if so, at what stage of the process is it and if not, on what date will it be submitted (ii) on what date will the assessment be completed (iii) will the results of the assessment be made public?

Mr. Lee Clark (Parliamentary Secretary to the Minister of the Environment): (a) (i) Yes, initial assessment has been conducted and completed by the Department of Western Economic Diversification.

(ii) Initial assessment completed on March 7, 1989.

(iii) Yes.

(b) (i) Yes, a cooperative Federal/Alberta Environmental Assessment and Review Process (EARP) was announced in July 1989.

(ii) The Environmental Assessment Board plans to hold hearings this autumn and complete the assessment in late 1989 or early 1990.

(iii) Yes, if applicable.

(c) (i) No, the sale of the mill does not trigger the EARP. However, discussions are underway with Manitoba regarding Repap's announced expansion plans.

(ii) Unknown.

(iii) Yes, if applicable.

(d) (i) Yes, initial assessment was completed in August 1987 by the Department of Energy, Mines and Resources.

(ii) Initial assessment completed in 1987.

(iii) Yes.

(e) (i) Yes, it was reviewed under B.C. Utilities process and Energy, Mines and Resources is conducting its assessment of the proposal under the Environmental Assessment and Review Process.

(ii) Unknown.

(iii) Yes.

(f) (i) Yes, currently under preliminary initial assessment by the Department of Energy, Mines and Resources.

(ii) Unknown.

(iii) Yes.

(g) (i) Yes.

(ii) Public review completed and panel report published in December 1985.

(iii) Yes, December 1985.

(h) (i) No.

(ii) Discussions are underway with Québec on a joint federal/provincial assessment process. Guidelines for environmental studies will be issued to Hydro-Québec this fall. Earliest completion of the assessment process would be the end of the 1990.

(iii) Yes if applicable.

BUSINESS EXPENSES—FREE TRADE AGREEMENT

Question No. 94—**Mr. Manley:**

1. Are directions being given to assessors or auditors within Revenue Canada Taxation to ensure that amounts paid for advertising for or against the Canada-United States Free Trade Agreement, or to umbrella organizations such as the Canadian Alliance for Trade and Job Opportunities or the Pro-Canada Network, are identified and, if so, what are they?

2. Is Revenue Canada Taxation applying any criteria in order to determine the deductibility of such amounts and, if so, what are they?

3. Have any such expenditures been declared by taxpayers to date and, if so what total amounts (a) have been declared (b) have been (i) allowed (ii) refused on assessment?

Hon. Otto Jelinek (Minister of National Revenue):

Business Expenses—Contributions in support of and against the Canada-United States Free Trade Agreement

1. There is no special audit program directed at business expenses in support of or against the Canada-United States Free Trade Agreement. These business expenses are reviewed in the normal course of audits of taxpayers books and records.

2. The Income Tax Act does not specifically deal with the deduction of these expenditures. The Department applies normal expenditure deductibility criteria. Deductions from business income are limited to the extent that they are incurred for the purpose of gaining or producing income from a business and are reasonable in the circumstances. Consideration is given to the facts and circumstances of each individual case. The Department's general views are expressed in Interpretation Bulletin IT-487.

3. The Department is aware, through the routine audit program examination of the books and records of corporations and individuals carrying on business, that claims have been made as business expenses for contributions incurred in support of or to oppose the Canada-United States Free Trade Agreement. These expenditures would not necessarily be specifically identified in the financial statements filed with the income tax return. Further, as there is no special audit program directed at business expenses in support of or against the Canada-United States Free Trade Agreement, no aggregate statistical information is available on these claims.

PCB STORAGE SITES IN THE CONSTITUENCY OF ABITIBI

Question No. 95—**Mr. St-Julien:**

1. Are there polychlorinated biphenyls (PCBs) storage sites in the constituency of Abitibi and, if so, (a) in what number (b) what is the frequency with which these sites are checked to ensure they comply with health and safety guidelines?

2. Have any of these sites failed to pass inspections and, if so, (a) which sites (b) on what dates (i) did they fail (ii) will they be tested?

3. Are PCBs in Abitibi being transferred for destruction and, if so, (a) to what location (b) by what means?

Mr. Lee Clark (Parliamentary Secretary to the Minister of the Environment):1. Yes.

(a) There are fifteen private industrial plants that store PCB waste in the constituency of Abitibi.

(b) Environment Canada inspects these sites once every two to three years to verify the inventory under 3(1) of the Chlorobiphenyls Interim Order (PC 1989-296, 23/02/89). Environment Canada also provides advice in accordance with existing codes of practice. The provincial government conducts an annual inventory under its hazardous waste regulations and applies the provisions of the federal government's Storage of PCB Wastes Interim Order in keeping with the concept of equivalency of provisions.

2. No cases of noncompliance have been detected by Environment Canada with respect to the inventory.

3. To our knowledge, no PCBs covered by the inventory were shipped for destruction.

MOTOR VEHICLE TRANSPORT ACT, 1987

Question No. 98—**Mr. MacWilliam:**

Has the government taken any action to review the reverse-onus procedure found in Chapter 35, Part II, Section 8, sub-section 4 of the Motor Vehicle Transport Act, 1987 and its impact on the nature of the transport industry in Canada and, if so, what action?

Hon. Benoît Bouchard (Minister of Transport): Procedures are now in place to evaluate the impact of the reverse onus provisions, among other things, of the Motor Vehicle Transport Act, 1987 (MVTA). Specific provisions in Canada's new transportation legislation ensure that an assessment of the effectiveness of the legislation be made on a continuing basis. For example, the National Transportation Act requires that annual reviews be completed by May 31 of each year. In addition, a comprehensive review will be completed in 1992.

The National Transportation Agency (NTA) has recently completed the review for 1988, including the sections on new entrants, expansion and consolidation. These of course reflect the effect of reverse onus procedures.

Furthermore, additional monitoring procedures, under the auspices of the Canadian Council of Motor Transport Administrators (CCMTA) and performed by Transport Canada, the NTA, Consumer and Corporate Affairs and provincial agencies are being put in place.

These procedures will examine the effect of "reverse onus" on a province by province basis to determine if, by 1992, sunsetting of "reverse onus" is in the best interest of both shippers and carriers.

Sufficient time has not yet elapsed, nor sufficient data collected, to enable a substantial analysis of "reverse onus" to be accomplished. However, by 1990 some initial trends will have been established.

HIRE A STUDENT CAMPAIGN 1989

Question No. 99—**Mr. Allmand:**

1. On the occasion of the launching of the annual Hire a Student campaign by the federal minister for Youth in Ottawa, on Wednesday, May 10, 1989, were (a) T-shirts (b) buttons (c) balloons purchased and, if so (i) from what persons were they bought (ii) what person printed them (iii) what number were left over (iv) what price did the government pay, including the price of printing?

2. Were any other costs to the government involved and, if so (a) in what amounts (b) for what purposes?

3. Were any other promotions like this one (a) held anywhere in Canada during the Hire a Student Campaign (b) cancelled after May 11, 1989 (c) held for any other Job Development Program (d) planned for, and cancelled after May 11, 1989?

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons): 1. (a) Yes.

(b) Yes.

(c) Yes.

(i), (ii) & (iv)

—3,500 French first T-shirts were produced and printed by Dome Advertising Ltd., Regina, Sask. at a cost of $15,653.45.

—6,500 English first T-shirts were produced and printed by Dome Advertising Ltd., Regina, Sask. at a cost of $29,280.86.

—130,000 100,000 English and 30,000 French buttons were purchased from and produced by Maison Basilières Inc. of Montreal, Que. at a cost of $13,712.00.

—10,000 Balloons were purchased from H.A.S. Novelties Ltd. in Ottawa, Ont. at a cost of $1,330.03.

(iii) None.

All materials distributed at the national launch of the Hire-A-Student campaign were also produced for national promotion and distributed to all 450 Canada Employment Centres for Students across the country. The Centres used the T-shirts for staff identification and in their promotional activities. Cost savings were achieved by centralized ordering of national quantities.

2. (a) Yes.

There were other costs amounting to $30,588.15 for a contract to Continental Golin/Harris Communications Ltd.

(b) To create national awareness for Hire-A-Student, Continental Golin/Harris Communications was retained to organize, produce and orchestrate a national launch in Ottawa. (M.P.s from all three political parties took part in the event, along with representatives of C.P. Hotels and the Ottawa Construction Association, the sponsor for the National Capital Region's Youth Action 89 program. In addition, Dave Smith, owner of the Place Next Door restaurant donated 1,500 hot dogs for the event. As a special part of the promotion 120 rugby shirts with the Hire-A-Student logo printed on the front were produced to be worn by M.P.s participating in the event.)

3. (a) Yes.

Of the 450 Canada Employment Centres for Students (CECs–S) operating this year across the country, more than 60 were officially opened with the participation of Members of Parliament from all three federal parties. In addition, almost all of the remaining centres were opened by way of a less formal open house where student staff invited the community into their offices. Student staff of these offices have continued to hold events to profile their activity throughout the summer. As well, Award of Merit certificates produced by the government of Canada were given to Hire–A–Student sponsors at the end of the summer.

All CECs–S received promotional material for staff and guests to assist in creating a dynamic, energetic and professional atmosphere. The Hire–A–Student campaign is part of the Challenge program.

Opposition members, the Honourable Bill Rompkey (Labrador) and Mr. John Rodriguez (Nickel Belt) have hosted official openings and many others participated in open houses to assist in raising community awareness of the 1989 Hire–A–Student campaign. The government appreciates the ingenuity and energy of all students and the support of all members for their efforts.

(b) No.

No official openings were cancelled before or after May 11, 1989. On occasion, obligations prevented a member from attending an event, in which case the CEC or CEC–S manager would officiate at the opening on the M.P.'s behalf.

(c) No.

(d) No.

See answer b.

SPECIAL FEDERAL INQUIRIES UNIT OF THE ROYAL CANADIAN MOUNTED POLICE

Question No. 101—**Mr. Kaplan:**

Has the government set up a Special Federal Inquiries Unit of the Royal Canadian Mounted Police and, if so (a) on what date was it set up (b) what is its mandate (c) what continuity of personnel has it enjoyed (d) what number of cases has it established?

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): (a) 1985

(b) The Branch deals with high profile cases involving crimes against the Government of Canada and serious crimes committed by public officials. Pursuant to a Treasury Board Directive, it also investigates cases referred by the Auditor General or federal departments and agencies where losses of public funds are suspected to be of criminal origin.

(c)The Branch started as a unit of four personnel. Two additional people have been added. Three of the initial group were transferred and their positions filled with new members.

(d)The unit has opened 65 investigational files to date.

MARKETING OF LAMBS AND SHEEP IN QUEBEC

Question No. 103—**Mr. Assad:**

1. Does the government intend to grant a produce quality allowance to Quebec sheep and lamb producers?

2. Is the government in a position to assure the Federation of Quebec Sheep and Lamb Producers that the pilot project which has been under consideration for eight months will be implemented?

Hon. Donald Frank Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): 1. Yes, Agriculture Canada has worked in conjunction with the Fédération in developing regulations regarding this specific type of product.

2. The pilot project has an implementation date of September 15, 1989.

MARKETING OF LAMBS AND SHEEP IN QUEBEC

Question No. 104—**Mr. Assad:**

Is the government aware of the existence of a pilot project involving the Federation of Quebec Sheep and Lamb Producers, in which a sum of $100,000 each was invested by the Quebec Department of Agriculture, Fisheries and Food and the *Union des producteurs agricoles du Québec* and, if so, what has become of the project?

Hon. Donald Frank Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Yes, Agriculture Canada is aware and the project is being undertaken in conjunction with the *Fédération*. Training of staff is presently being performed and administrative preparation is now occurring with an implementation date of September 15th, 1989.

CANADIAN CONSULATE IN KIEV

Question No. 105—**Mr. Harvey (Edmonton East):**

Is there a Canadian consulate at Kiev in the Ukrainian S.S.R. and, if not (a) for what reasons (b) will the government open one within the next two years and, if not for what reasons?

Right Hon. Charles Joseph Clark (Secretary of State for External Affairs): At the present time, the Canadian Government does not have a consulate in Kiev in the Ukrainian S.S.R. We have an agreement with the Soviet authorities which will allow us to establish a consulate in the Soviet Union. We plan to open this consulate in Kiev, but because of financial constraints, we have not been able to advance our plans at this stage.

LANGUAGE AND CITIZENSHIP TRAINING PROGRAMS

Question No. 107—**Ms. Mitchell:**

Will language and citizenship training programs be available for immigrants after April 1990, when the CILT program is no longer funded and, if so, which ones?

Mr. Albert Cooper (Parliamentary Secretary to the Leader of the Government in the House of Commons): I am informed by the Department of the Secretary of State of Canada and the Canada Employment and Immigration Commission as follows:

The decision to terminate the Citizenship and Language Instruction Agreement and the Language Textbooks Agreement as of March 31, 1990 is part of the Government's overall deficit reduction strategy which, in a time of fiscal restraint, involves making very difficult decisions. Language training for immigrants is a shared federal–provincial responsibility. There are a number of alternative programs that will continue to provide language training for adult immigrants despite the cancellation of CILT.

On the federal level, the Canada Employment and Immigration Commission has two programs to meet the language training needs of immigrants. Under the Direct Purchase Option of the Canadian Jobs Strategy, CEIC purchases language training seats from provincial educational institutions to provide English or French training so that immigrants who need such language ability can access the labour–market. In the past six fiscal years (from 1983/84 to 1988/89) 70,745 training seats were provided for immigrants and refugees at a cost of some $321 million. This is an ongoing program that will continue beyond April 1990.

Under the Settlement Language Training Program (SLTP) non–governmental, voluntary organizations are funded to provide up to 500 hours of community–based instruction in coping language skills to immigrants not immediately destined to the labour–market, primarily immigrant women with child–care responsibilities. Since the program's inception in 1986 some 8,500 persons have received language training for a cost of $4.5 million. The SLTP is continuing to operate in 1989/90 as a pilot project with a budget of $3.5 million.

FARES ON MARINE ATLANTIC FERRIES

Question No. 108—**Ms. Callbeck:**

To the knowledge of the government, for each year since 1984, have fares on Marine Atlantic ferries between Borden, P.E.I. and Cape Tormentine, N. B. increased, and, if so (a) in what amount (b) what percentage of Marine Atlantic's revenues do these figures represent (c) what are the fare increases, if any, for (i) cars (ii) passengers (iii) trucks and what percentage of revenues do these figures represent?

Hon. Benoît Bouchard (Minister of Transport): a, b and c. See below.

(a) Fares and Fare Increases

Fares have increased each year since 1984 by the following :

	1984 Fares	1985 Incr.	1986 Incr.	1987 Incr.	1988 Incr.	1989 Incr.
Cars	5.25	.25	.50	—	.25	.50
Passengers :						
Adults	1.35	.55	.10	.30	.10	.10
Children (5 – 12)	.65	.30	.05	.15	.05	.05
(Under 5)	free	—	—	—	—	—
Seniors	1.35	.55	(.30)	.15	.05	.10
Trucks :						
Under 20'	5.25	.25	.50	_	.25	.50
21' – 30'	6.20	.60	.45	.50	.30	.45
31' – 40'	7.56	.54	.40	.75	.40	.60
41' – 50'	8.92	.58	.50	.75	.45	.80
51' – 60'	10.28	.82	.65	.75	.50	.75
61' – 70'	11.64	.61	.75	1.00	.55	.95
over 70'	11.64	.61	.75	2.25	.60	.90

The rates for the period 1984–89 are as follows:

	Fares (one–day)					
	1984	1985	1986	1987	1988	1989
Cars	5.25	5.50	6.00	6.00	6.25	6.75
Passengers:						
Adults	1.35	1.90	2.00	2.30	2.40	2.50
Children (5 to 12)	.65	.95	1.00	1.15	1.20	1.25

(Under 5)	free	–	–	–	–	–
Seniors	1.35	1.90	1.60	1.75	1.80	1.90
Trucks						
Under 20'	5.25	5.50	6.00	6.00	6.25	6.75
21' – 30'	6.20	6.80	7.25	7.75	8.05	8.50
31' – 40'	7.56	8.10	8.50	9.25	9.65	10.25
41' – 50'	8.92	9.50	10.00	10.75	11.20	12.00
51' – 60'	10.28	11.10	11.75	12.50	13.00	13.75
61' – 70'	11.64	12.25	13.00	14.00	14.55	15.50
over 70'	11.64	12.25	13.00	15.25	15.85	16.75

(b) Transportation Revenue (Excluding Freight)

In 1984, fares for passengers, passenger related vehicles and trucks generated $5,933,407 which represented 13.4 percent of the total revenue (including federal subsidy) for the PEI service.

In 1985, these fares generated $6,988,245; 18.1 percent of the total revenue. It should be noted that the percentage change from 1984 was due in most part to the discontinuance of a profit allowance in the subsidy calculation.

In 1986, these fares generated $7,924,703; 22.5 percent of the total revenue. The further increase in percentage was due mainly to the discontinuance of depreciation in the subsidy calculation.

In 1987, these fares generated $8,912,950; 24.2 percent of the total revenue.

In 1988, these fares generated $9,772,450; 25.0 percent of the total revenue.

(c) Fare Increases

The fare increases for cars, passengers and trucks are as shown in (a) above.

The percentage of total revenue is shown in (b) above.

Cars represent 43.1 percent of Transportation Revenue Passengers represent 39.1 percent of Transportation Revenue Trucks represent 17.8 percent of Transportation Revenue.

WHITE CEDARS

Question No. 110—**Mr. Milliken:**

Is the government aware of reasons for any large number of white cedars north and west of Ottawa dying during the spring of 1989 and, if so, what are they?

Mr. Michel Champagne (Parliamentary Secretary to the Minister of State (Forestry): The Forest Insect and Disease Survey, Forestry Canada, has reported damage to cedar trees in areas north and west of Ottawa and in particular from Ottawa–Hull to Brockville and vicinity.

The browning of cedar foliage is the result of two years of severe damage caused by an insect called the cedar leafminer, last year's drought, and winter drying or "winter kill".

Feeding by cedar leafminers has caused severe browning of the foliage and often subsequent twig, branch, or tree kill. Fortunately, however, severely injured trees will often produce new foliage later in the growing season. On individual ornamentals the infested twig tips can be pruned and destroyed in early spring.

"Winter kill" is characterized by tips of twigs or entire foliage turning yellow or brown in early spring.

Also, two years ago, there was a bumper crop of cedar cones which are retained by the trees and gives a brown appearance when viewed from a distance.

Cedar trees should recover if watered during dry weather. However, in natural forest conditions some mortality may occur.

CHEMICALS DEPOSITED ON ROADS

Question No. 116—**Mr. Milliken:**

Has the government promulgated any environmental regulations or guidelines governing the kinds of chemicals that may be sprayed or otherwise deposited on roads or road allowances and, if so, are any substances prohibited pursuant to them and, if so, which ones?

Hon. Lucien Bouchard (Minister of the Environment): Environment Canada's only regulation relating to the spraying of substances on roads is the chlorobiphenyls (PCB) interim order, which prohibits the application of any liquid containing more than 5 ppm by weight to a road surface. There are no federal guidelines governing the application of substances to roads. Normally, this activity is addressed by the provincial government.

ADMINISTRATION OF THE GOODS AND SERVICES TAX

Question No. 117—**Mr. Gardiner:**

Does the government estimate that new jobs will be created to administer the proposed goods and services tax and, if so, what number?

Hon. Otto Jelinek (Minister of National Revenue):

Taxation

It will be necessary to create new jobs in order to administer the Goods and Services Tax Credit program. Unfortunately, it is not possible to give a reliable estimate of the number of jobs until such time as draft legislation is available.

Customs & Excise

The Goods and Services Tax has a much larger client base than the current Federal Sales Tax. As a result it will be necessary to establish additional jobs to administer the tax.

The number of staff required for this tax are dependent on the number of vendors involved, the complexity of tax and other such factors. Until details of the tax and the draft legislation are made available it is not possible to speculate on the number of resources required.

SUPPLY AND SERVICES—NUMBER OF EMPLOYEES AT SHEDIAC, NEW BRUNSWICK

Question No. 118—**Mr. Robichaud:**

1. How many (a) full-time (b) part-time employees are presently employed in the Superannuation Branch of the Department of Supply and Services at Shediac, New-Brunswick?

2. Does the government intend to reduce the number of (a) full-time employees (b) part-time employees (c) person-years at the Shediac office?

3. If so, (a) how many jobs or person-years will be cut (b) when will those cuts be made (c) which subdivision of the Superannuation Branch will be affected (d) which activity will be affected?

4. Has a plan been set up to provide assistance to affected employees and, if so, what is it and, if not, is such a plan being considered?

Hon. Paul Wyatt Dick (Minister of Supply and Services): 1. At the end of June 1989, (a) 396 full-time (including 26 Leave Without Pay and 38 casuals) and (b) 25 part-time employees were employed by the Superannuation Branch, at Shediac, New Brunswick.

2. This fiscal year, the number of person-years in the Branch was reduced by 6. The planned reduction for fiscal year 1990-91 is 5 PY's. The budgets for future years are not known at this time. The number of part-time and full-time employees will be adjusted as required to meet our allocated budget.

3. (a) Six person-years have been cut for this fiscal year. (b) Two were absorbed in Support and Management Services through regular attrition. Exactly when the other four PY's will be cut is unknown because a final decision is pending. (c) While a number of proposals have been put forward, no final decision has been reached and this matter is still under review. (d) This cannot be determined until the review mentioned in 3 (c) is complete.

4. The Superannuation Branch management is committed to make all possible efforts to place the incumbents of affected positions in other available positions. The Treasury Board Departmental Workforce Adjustment Policy would apply to the affected employees. The policy includes provisions to help the employees such as priority status, re-training for other positions, etc. As well, all provisions of the applicable Collective agreements will be adhered to.

CHEMICAL PRODUCTS OR TOXINS IN CHEDOKE STREAM

Question No. 119—**Mr. Keyes:**

Since 1984, has the government carried out investigations to determine whether any chemicals or toxins have been leaching into Chedoke Creek at Princess Point from the Kay Drage Park in Hamilton and (a) if so, have they discovered any and, if so (i) what are the types of chemicals or toxins (ii) what is quantity of each chemical or toxin found in the Creek in parts per million (iii) has the government undertaken to contain the chemicals or toxins from leaching into the Creek (b) if not, is the government prepared to do so at the earliest opportunity and report back as to its findings?

Hon. Lucien Bouchard (Minister of the Environment): a) No test was performed. b) The federal government does not plan to carry out such tests, as these activities fall under provincial jurisdiction.

LANDSLIDE ON CN RAILS

Question No. 120—**Mr. St-Julien:**

On or about June 13, 1989, did a landslide occur betwen mileage points 106 and 107 on the Chapais subdivision, between Miquelon and Chapais and, if so, on what date (a) was CN advised of the landslide (b) did CN managerial staff take photographs of the landslide (c) did CN employees go to the area between mileage points 106 and 107 to repair CN's track?

Hon. Benoît Bouchard (Minister of Transport): The Canadian National Railway Company advises as follows:

On June 5th, 1989, it was discovered during a regular CN track inspection of the Chapais subdivision, that the roadbed at mileage 106.20 had been eroded by heavy rainfalls.

(a) The incident in question was immediately reported by the inspection officer.

(b) On June 6th, CN management took photographs of the site and evaluated extent of damages.

(c) Cost of needed repairs was evaluated at $10,000 and the time to complete work and restore train service, if needed, was estimated to be less than 48 hours. Train movement being nil, at this time, it was management's decision to delay repairs until service requirements justified the restoration of train operations.

PASSENGER TRAIN NUMBER 135

Question No. 121—**Mr. St-Julien:**

On or about February 20, 1989, was VIA Rail forced to cancel a passenger train (No. 135) at mileage point 82.4 on the La Tuque subdivision, between Montreal and Senneterre, because of a problem with engine No. 6504 and, if so (a) what was the cause of the problem (b) what was the number of passengers carried on the train (c) how much time did the train remain in La Tuque (d) how many taxicabs were dispatched by VIA Rail to Québec City, Hervey Junction, Garneau, Shawinigan and Montreal (i) for what number of passengers and (ii) at what cost (e) how many buses did VIA Rail rent to transport the passengers (i) to which destination (ii) at what cost (f) what was the cost to VIA Rail of meals and rooms provided to passengers in La Tuque?

Hon. Benoît Bouchard (Minister of Transport): Via Rail Canada Inc. advises as follows:

(a) to (f) At 23:15 on 20 February 1989, train number 135 en route from Montreal to Senneterre with 66 passengers on board advised the dispatcher from mileage point 82.4 on the Lac St-Jean subdivision that locomotive 6506 was experiencing a problem due to blown fuses.

At 23:55 the locomotive was shut down at mileage point 87. CN called to obtain a crew and replacement locomotive from Fitzpatrick, as the train was stopped in a remote area with no road access. The only locomotive available was facing the wrong way and it was estimated that it would take two hours to turn it around and put it in service on account of the heavy snow in the yard. The rescue locomotive departed Fitzpatrick at 02:00 and arrived at mileage 87 at 03:15, where the situation had deteriorated because boiler problems had developed on locomotive number 3542. At 04:30 the steam generating unit shut down.

Via contacted the La Tuque station to inquire about accommodation and food for passengers, 44 of whom were bound for Weymount and 12 for Parent. At 06:05 the train arrived in La Tuque, but steam power was still unavailable.

Two buses were chartered from nearby Chevrette, one bound for Weymount, at a cost of $544, and the other for Parent, at a cost of $533.

The 10 remaining passengers headed to remote areas beyond La Tuque were given the option of staying in La Tuque at Via's expense until the next frequency (two days later) or being taxied to their points of origin: Grand'mère, Shawinigan, Hervey and Héberville. All passengers opted to return home. The fares for the five taxis totalled $720. Also breakfast was served to all passengers at a cost of $287.

APPLICATIONS FOR PROJECT FUNDING

Question No. 123—**Mr. Young (Beaches—Woodbine):**

Since 1984, did UNIGEC of Chicoutimi, Quebec, make any applications for project funding to the Canadian International Development Agency and, if so (a) what was the title of each project (b) what was the nature of each project (c) what was the location of each project (d) what was the amount of funding requested for each project (e) what service was UNIGEC to provide to each project (f) on what date were the applications made (g) on what date were the applications approved or rejected (h) if rejected, what were the reasons given for the rejection (*iti*ro) subsequent to any of the applications being made, did any person or persons make an intervention with respect to the application, and if so, what is the name of such person(*ros) and what was the purpose of the intervention?

Hon. Monique Landry (Minister for External Relations): No.

APPLICATION FOR PROJECT FUNDING

Question No. 124—**Mr. Young (Beaches—Woodbine):**

Since 1984, did UNIGEC and Anthony Pau and Associates make a joint application for project funding to the Canadian International Development Agency and, if so (a) what was the title of each project (b) what was the nature of each project (c) what was the location of each project (d) what was the amount of funding requested for each project (e) what service was UNIGEC and Anthony Pau and Associates to provide to each project (f) on what date were the applications made (g) on what date were the applications approved or rejected (h) if rejected, what were the reasons given for the rejection (i) subsequent to any of the applications being made, did any person or persons make an intervention with respect to the application, and if so, what is the name of such person(s) and what was the purpose of the intervention?

Hon. Monique Landry (Minister for External Relations): Yes.

UNIGEC and Anthony Pau and Associates

(a) Wind Energy Development Study, Qibei County, Yunnan Province, China.

(b) Engineering feasibility and technology options analysis.

(c) Qibei County, Yunnan Province, China.

(d) $205,107.

(e) Project administration services and participation in the engineering study with Mr. Pau.

(f) October 9, 1987.

(g) CIDA conditional approval given October 24, 1988, with a deadline February 24, 1989 for the signing of commercial contracts with the Chinese client. Conditional approval is standard Industrial Cooperation Program (INC) practice.

(h) The two firms were unable to reach a contractual arrangement within the above time frame stipulated by CIDA. As such, it was not possible for CIDA to continue to offer support for the study.

(i) Yes. Mr. Greg Giokas, Special Assistant to the Minister for External Relations and International Development asked that CIDA issue a letter to the consortium outlining the conditions that had to be met before a contribution agreement could be signed.

APPLICATIONS FOR PROJECT FUNDING

Question No. 125—**Mr. Young (Beaches—Woodbine):**

Since 1984, did Anthony Pau and Associates of Toronto, Ontario, make any applications for project funding to the Canadian International Development Agency and, if so (a) what was the tile of each project (b) what was the nature of each project (c) what was the location of each project (d) what was the amount of funding requested for each project (e) what service was Anthony Pau and Associates to provide to each project (f) on what date were the applications made (g) on what date were the applications approved (h) if rejected, what were the reasons given for the rejection (*iti*ro) subsequent to any of the applications being made, did any person or persons make an intervention with respect to the application, and if so, what is the name of such person(*ros) and what was the purpose of the intervention?

Hon. Monique Landry (Minister for External Relations): Yes, two applications were received by CIDA, Industrial Cooperation Program (INC).

Anthony Pau and Associates

(a) (i) a wind energy demonstration project.[1]

(ii) a Canadian Project Preparation Facility engineering study proposal.[2]

(b) (i) the engineering study, purchase and installation of a wind turbine.

(ii) an engineering analysis of wind conditions and technology options.

(c) both projects were located in Yunnan Province in Southwestern China.

(d) (i) $500,000

(ii) $99,000

(e) (i) engineering analysis, equipment purchase, equipment installation supervision and results evaluation.

(ii) engineering analysis, study of technology options.

(f) (i) discussions in late 1986.

(ii) proposal was received in CIDA on February 8, 1987.

(g) they were not approved

(h) (i) a meeting with Mr. Pau was held in late 1986 to explain to him that the CIDA Industrial Cooperation Program could not support the equipment supply and demonstration project idea since the Program had no mandate to fund equipment purchases.

(ii) the engineering study proposal was received February 8, 1987. In June 1987, CIDA wrote to Mr. Pau communicating the results of the CIDA Professional Services evaluation of the engineering study proposal and suggestions as to how it needed to be strengthened in order to be approved.

(i) No

1 The wind energy demonstration project application was submitted in 1986, but was never formally reviewed as it did not meet the basic criteria of the Industrial Cooperation Program.

2 (i) refers to the wind energy demonstration project throughout the text.

(ii) refers to the Canadian Project Preparation Facility engineering study proposal throughout the text.

* * *

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, if Questions Nos. 83, 91, and 113 could be made Orders for Return, these returns would be tabled immediately.

Mr. Speaker: Is it the pleasure of the House that Questions Nos. 83, 91, and 113 be deemed to have been made Orders for Return?

Some Hon. Members: Agreed.

[*Text*]

TAX REMISSIONS

Question No. 83—**Mr. Kindy:**

1. For each year since 1970, what was the total received by any company or corporation in tax breaks or remissions?

2. For each year and, in each case, what was the name of the company or corporation and the amount of the tax break or remission obtained by (a) regulation (b) Order in Council (c) negotiation?

Return tabled.

PURCHASE OF DISPOSABLE UTENSILS

Question No. 91—**Ms. Copps:**

For each year since 1985, has the government purchased styrofoam cups, plates, trays or bowls for use in government offices, cafeterias, agencies or institutions and, if so (a) what number of each item was purchased (b) at what cost (c) who were the manufacturers (d) did any of the items contain chlorofluorocarbons (CFCs) and, if so, what percentage of the (i) cups (ii) plates (iii) trays (iv) bowls contained CFCs?

Return tabled.

APPOINTMENTS TO CANADIAN PAROLE BOARD

Question No. 113—**Mr. Kaplan:**

Were any of the current members of the National Parole Board appointed by Solicitors General and, if so, for each Solicitor General what is the (a) name (b) background, in brief résumé form, of each appointee?

Return tabled.

[*English*]

STARRED QUESTIONS

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, would you be so kind as to call Starred Questions Nos. 86 and 87.

Mr. Speaker, due to the length of the responses I ask that they be printed in *Hansard* as if read.

[*Text*]

CFB MONCTON

*Question No 86—**Mr. Rideout:**

1. Has the Department of Regional Industrial Expansion made any studies of th economic impact, both locally and on the province of New Brunswick, of a closure or reduction in service at CFB Moncton?

2. Were there full consultations within the government with regard to the possibility of a closure or reduction in service at CFB Moncton?

Mr. Albert Cooper (Leader of the Government in the House of Commons): I am informed by the Departments of Regional Industrial Expansion and National Defence as follows:

1. No.

2. Consultations were conducted within the constraints of budget secrecy.

DECISION TO ANNOUNCE $100 MILLION REFURBISHMENT FOR CFB MONCTON

*Question No. 87—**Mr. Rideout:**

1. Did the government rely upon particular facts or reports in deciding to announce a $100 million refurbishment for CFB Moncton in June 1988, and, if so, which ones?

2. Were any steps taken by government staff following this announcement and, if so, what were they?

3. Did the government rely upon any particular facts in deciding to close CFB Moncton and, if so, which ones?

Hon. William McKnight (Minister of National Defence): 1. Yes, in 1983 a comprehensive survey of CFB Moncton infrastructure was carried out as part of the Base Development Plan. This study recommended the construction of a new 5 Canadian Forces Supply Depot (5 CFSD) to replace present inadequate and widely dispersed facilities. These findings were supported by the recommendations of the Depot Modernization Task Force (DMTF) created in 1985 to analyse deficiencies in the Canadian Forces Supply System. The proposal to replace 5 CFSD Moncton was formalized with acceptance of the projet submission by the Construction Priority Screening Committee (CPSC) in February 1986 and reaffirmed by a review of DND infrastructure carried out in June 1988. The estimate of $100 million reflects the projected cost to construct and equip a stand alone depot.

2. Yes, Defence staff is continuing with the development of a Statement of Requirements initiated in January 1987, an evaluation of the options to reorganize CFB Moncton into a more efficient posture initiated in May 1988, and the finalizing of a Program Development Proposal (PDP) to achieve Departmental and Treasury Board approval for the project.

3. Yes. (a) The reductions in the base support functions will permit overall personnel reductions of an estimated 77 military and 139 civilian. Attendant savings have been estimated at approximately $100 million over the 15 year planning period.

(b) The reductions to the base and the lease costs for the proposed new depot facilities will result in net additional operations and maintenance costs estimated at $90 million over fifteen years. These additional costs, however, will make it possible to avoid substantial capital construction expenditures.

(c) One-time costs for personnel relocation, retraining and other benefits have been estimated at $1.5 million. Potential costs relating to the disposal or removal of existing facilities have not been estimated, nor have potential revenues from the sale of excess properties.

[*English*]

Mr. Cooper: I ask that the remaining questions be allowed to stand.

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

DEPARTMENT OF FORESTRY

MEASURE TO ENACT

The House resumed from Monday, September 25, consideration of the motion of Mr. Mulroney that Bill C-29, an Act to establish the Department of Forestry, to amend the Forestry Development and Research Act and to make related amendments to other Acts, be read the second time and referred to a legislative committee.

Mr. Charles-Eugène Marin (Gaspé): Mr. Speaker, I shall continue this morning with my speech on Bill C-29 creating a Department of Forestry, since I had to interrupt it yesterday because of time at five o'clock.

Among the initiatives which the partners can accomplish with the Department's leadership and participation is the development of the highest standards of intensive forest management for Canada's productive forest lands. Based on these standards, management plans can be developed which respect the important ecological role of forests, good conservation practices, and multiple use of the resource. The Department must take a leading part among the partners in developing a consensus about how sustainable development can be achieved in every region of Canada.

The Department can assist in developing a national inventory of the forest resource because we know accurate information is a key element of good management. We need this reliable database. It must contain site-specific information. To be meaningful, it will have to be developed according to agreed-upon standards. Without this kind of information, we cannot do the careful, rational and effective planning which will be necessary if we are to maintain our competitive edge. A federal department of forestry is essential in working with its provincial and private sector partners on this task, and in making such a database accessible to industry, government, and non-governmental public interest groups in every part of Canada.

We on the government side are well aware of the constitutional division of power and provincial prerogatives regarding forestry, and a new Department of Forestry in no way violates these principles. Our way of doing business is cooperation. We are already working with our partners within the framework of the National Forest Sector Strategy which finds implementation in Forest Resource Development Agreements between the federal and provincial governments.

In Quebec, those agreements were used in particular to finance site preparation, regeneration and tending activities over more than 650,000 hectares of land. At least 45,000 private woodlot owners have benefitted over the last four years and each year an average of 600 projects are carried out on Crown lands. We are now in a position to examine the last generation of agreements and to review what has been accomplished through this type of public management. Long-term goals and forest management standards are defined. More than $1.1 billion have been allocated for reforestation and forest management at the national level.

Federal resources committed for renewal and regeneration were strictly reserved to deal with the current backlog, not for lands currently being harvested which are 100 per cent the responsibility of the provinces and the industry.

The Minister has already announced that these accords, some of which are currently being renegotiated, will encourage the provinces to extend their planning timeframe toward more distant horizons as is befitting of a resource which takes eighty years of more to renew.

There is another task involving the provinces and private sector which the new Department can fulfill. It can develop manufacturing technology to add greater value and increase the variety of our forest exports.

The forest products industry must focus its attention on this task if it is to realize its potential for growth and expansion.

• (1200)

Canada's prospects in the paper and paperboard sector are strong. New technologies can keep our pulp production high. Solid wood products will remain a major component of the industry, expecially in panels and reconstituted boards. And the greatest opportunities open to us are in the value-added products.

We in Quebec, for example, have a major development opportunity in production of printing and writing papers, products which need inexpensive energy and abundant hardwood resources.

Since most of the products of Canadian forests are exported, it is a federal Department of Forestry which is needed to help industry and the provinces on a nation-wide basis coordinate and accelerate efforts to keep Canada competitive in a rapidly-changing global marketplace which is constantly shifting beneath our feet. This means sharper marketing, focusing on specialty products, increasing product quality, shifting emphasis to a new mix of products. That brings me, Mr. Speaker, to the fourth mandate, the fourth task of the proposed Department of Forestry, namely to keep Canada on the cutting edge of research and development so that we can keep on top. The task is not ours alone. The private sector must also allocate more of their own resources for research. Our industry spends 60 cents on research for every $100 of wood we sell, while the Americans spend over four times that amount. One American company alone spends over 60-million U.S. dollars annually, which is comparable to Forestry Canada's entire research budget.

But it is not just increased spending: the research we do must become better focused, better coordinated, and become target-oriented. Our federal forestry labs and labs to which we contribute already are considered world leaders in certain critical areas that show best promise.

We can show, Mr. Speaker, by own example in research conducted or sponsored by a federal department of forestry that forestry research and development is regarded as a national priority.

By the way, Mr. Speaker, the Federal-Provincial Forest Resource Development Agreements have contributed to some 70 university research and other projects in the province of Quebec.

If we act and spend wisely, the dollar value of our forest exports could rise 55 per cent above current levels over the next twenty years, if, among other things, we emphasize new products and markets, and if we develop the technologies that will allow us to utilize our special Canadian advantages.

In addition to all these tasks, the new Department of Forestry will have special responsibilities in directing the management of federal forest lands, again setting an example with respect to sustainable development and multiple use of forests.

If we can show with federal lands that sustainable development pays off, that it is an investment in the future which pays handsome dividends, then perhaps we can influence those in the industry who act as if there is no tomorrow.

Last of all, Mr. Speaker, as its sixth task, a federal Forestry Department will be of great assistance to the other government departments having involvement with forests and forest issues. I can think of at least nine departments which are involved with significant aspects of forestry in their mandates, and it is vital that there be a lead Department to develop cooperative arrangements within the federal Government.

First, there is Environment Canada and Parks Canada, which have an interest in forest policy which might have an impact on wildlife or migratory birds or the effects of forests on the atmosphere and climate.

Second, agriculture and forestry have had a strong relationship in Canada over the last century.

Third, where it is requested to do so, the Department of Forestry could assist the First Nations of Canada with regard to forest management on their lands.

Fourth, the Department of Indian Affairs and Northern Development has other responsibilities as well which relate to forest management.

Fifth, there are Department of National Defence lands on which the Department of Forestry can demonstrate state-of-the-art forestry practices.

Sixth, a cooperative liaison with the Department of Industry, Science and Technology can keep forestry in the picture when it comes to research and development, industrial planning, regional development, and aboriginal economic development programs. And there is that all-important area of international trade, where access to export markets is of the highest importance to our economic well-being.

Seventh, Fisheries and Oceans understand very well the impact of forestry practices on the fisheries. Energy, Mines and Resources has an interest in biomass energy development. The Atlantic and Western development agencies are involved in ensuring that forestry reaches its full potential in economic development and employment in those parts of Canada.

In summary, then, Mr. Speaker, by introducing this Bill to establish a Department of Forestry, the federal Government is positioning itself to accelerate Canadian forestry's ability to fulfill its full potential in Canada's future.

Mr. Speaker, I have attempted to set out six of the major essential functions which the new Department could fulfill. This Bill is a further indication of the priority which forestry has for the Government. Indeed, over the last four years, this Government has increased the federal investment in forestry by 300 per cent.

As I mentioned when I began, Mr. Speaker, I wholeheartedly support this Bill, and I urge my colleagues to make this House unanimous in passing this Bill without delay.

[*English*]

Mr. Gardiner: Mr. Speaker, is there a question and answer period following this speaker now?

The Acting Speaker (Mr. Paproski): Yes, there is. The hon. member for Carleton—Gloucester.

[*Translation*]

Mr. Bellemare: Mr. Speaker, the Hon. Member for Gaspé is to be commended for supporting the creation of a new department of forestry as proposed by the Government in Bill C-29. The Hon. Member spoke at length about reforestation, and I was glad to hear what he had to say on the subject, since our Canadian forests are the lungs of our environment. The Hon. Member had a lot to say about the United States and was lavish with his praise. He also praised what was being done in the province of Québec. However, although I may have missed parts of his speech, I did not hear him refer to the other nine provinces. He seemed to be concentrating on the province of Québec. I was also disappointed that he had nothing to say about the Gaspé area, his own riding where I am sure forests and a forestry industry exist.

My question to the Hon. Member is as follows: What kind of activities are we seeing in the other provinces at this time? Where is the Government going to make improvements, and above all, how does it intend to go about improving forestry activities in Canada if it is already faced with budget cutbacks and federal personnel cuts?

Mr. Marin: Mr. Speaker, I want to thank the Hon. Member for his kind words about my speech. Obviously, I spoke mainly about the province of Québec, because I am better acquainted with the situation in that province. Of course the federal Government, through its new department, will be active in all other provinces as well. I may remind the Hon. Member that the riding of Gaspé is part of the province of Québec, and so what I said about the province of Québec, also applies to the riding of Gaspé.

I may remind him that in Québec, 94 million hectares of land are covered with forest. That is probably why I concentrated on my own province. Its forestry industry includes 8 pulp plants, 49 paper mills, 121 sawmills, 4 plywood plants and 10 particle board plants. I think he will realize that the importance of this industry was one more reason for me to talk mainly about my own province.

In Québec, forestry is responsible for 229,000 jobs, which means one out of thirteen. Sales of forestry products total 10.8 billion. Mr. Speaker, I think I had good reason to be somewhat partial to the province of Québec, and I can assure the Hon. Member that when I say Québec, I also include the riding of Gaspé.

[*English*]

Mr. Kilger: Mr. Speaker, I listened with interest to the remarks of my hon. colleague from Gaspé. Given that the department of forestry received an 11.9 per cent cut in its 1989–90 budget, that 47 person–years were trimmed from the department, and that the new forestry department to be created by Bill C–29 does not have control over its own funds, in having to go a multitude of other departments and agencies, I would submit that the government is creating a department of forestry but not in the fullest sense. I humbly recognize this bill as being a modest beginning.

• (1210)

I would just like to ask the member for Gaspé, if he could possibly look ahead to the not too distant future, next year, whether the department of forestry would have greater autonomy by having its own budget. Would it be allowed to mature into a department that would have the fiscal resources it requires to protect and serve one of Canada's most precious natural resources?

[*Translation*]

Mr. Marin: Mr. Speaker, obviously, if we had been able to create a full department we would have done so.

The purpose of the Bill before the House today is to provide a framework. In fact, the department's authority will be quite considerable at the level of co–ordination. Later on, with the help of nationwide consultation, we will be able to give the Minister what the Hon. Member suggested and perhaps suggest a number of other aspects the Government might consider, to give the department greater responsibility.

Mr. Champagne: Mr. Speaker, I listened attentively to my colleague from Gaspé (Mr. Marin) and I must say that his speech in general is very well thought.

One of our colleagues in the Opposition raised the subject of the Eastern Plan, saying that Dr. Marin, the Hon. Member for Gaspé, did not talk enough about it. Mr. Speaker, I know very well from a visit I made with the Forestry Minister this summer what people told us about the Eastern Plan; they were very glad to have the federal Government participate in a forestry program and they urged the federal Government to pass a bill to set up a full–fledged department as soon as possible.

Mr. Speaker, if it is possible, I would like to ask my colleague from Gaspé to describe the federal Government's involvement in quater detail and also to describe the reason those concerned want a full–fledged department, one that will really look after forests throughout the country, instead of going through a junior minister. So I would ask my colleague from Gaspé to give us some explanation of this.

Mr. Marin: Mr. Speaker, for someone, who did not want questions, I am doing very badly.

It is quite obvious that our experience over the past few years in eastern Québec with the plan known as the Eastern Plan has been wonderful and this forestry program, we spent $40 million recently on private forests alone. On public forests, under the Canada–Québec ERDA agreements, we spent a great deal of money—$150 million. Obviously, if every region could develop at this rate—the advantage is that all these funds, these programs must come under a federal department.

The Acting Speaker (Mr. Paproski): The period for questions and comments is over. Debate. The Hon. Member for Cochrane—Superior (Mr. Bélair).

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, before starting my speech, I would like to thank the Hon. Member for Restigouche (Mr. Arseneault) and congratulate him on the excellent speech he made .yesterday. It was very well researched and contained a lot of information that will certainly be useful in the years to come.

Bill C-29 will also have a major impact on my constituents. I would like to mention that my riding has four paper mills operating at top capacity and also a large number of sawmills which will be able to take advantage of what the new Bill has to offer.

Ever since Jacques Cartier set foot on Canadian soil, the lumber industry has played a very important part in our country's economy and still does. A century ago, there was practically nothing in the way of regulations that applied to the forestry industry. At the time, the Crown, through the provinces, gave individuals tracts of land which they worked very hard to clear, using the wood for the construction of buildings on their property.

Briefly, these people farmed the arable land they had cleared during the summer and worked as loggers during the winter, supplying saw mills and pulp and paper mills with the raw material they required.

At the time there was no advanced technology. In other words, tools and means of transportation were primitive, and that is why clearcutting forests was not as serious a matter as it is today. What I mean to say is that when forests were clearcut, the bare expanses were not as readily visible as they are today.

The forest was also a source of food, which shows how important it was at the time and still is today. Aboriginal people living on reserves depend on the forest, especially for their hunting grounds and trap lines.

The situation has changed today. The speed with which our forests are being cut has a dramatic effect on the Canadian Government's future vision and policy.

[*English*]

The forestry industry provides one in ten jobs in Canada directly or indirectly. In fact close to 800,000 people work in the industry, 350 communities depend on it, and huge chunks of income tax are paid to the federal government. Therefore it should only be fair that a lot of that money be put back into Canada's forestry to ensure its economic stability.

Yesterday the minister outlined the department's history which I do not intend to repeat today. Please allow me one comment.

It should be noted that since the turn of the century the department was bounced around on nine different occasions which explains its lack of continuity, competence and national involvement. There should be a strong federal presence to provide the much needed leadership. In this case it is better late than never for the federal government to impose its presence. Indeed, the creation of a department of forestry is a step in the right direction.

One cannot argue the generalities the bill offers, except in clause 6(c) where it only refers to the promotion of the forest industry but does not include enforcement.

I whole-heartedly encourage the minister to pursue the idea of hiring inspectors to oversee and supervise forest management. For example, he has mentioned that in Canada there is approximately one inspector for every 450,000 hectares of forested land, whereas in the United States there is one for every 15,000 hectares of forested land.

What I am saying is that it is not enough to advocate a forest management policy. It has to be enforced. The question is how.

The department does have the leverage power through the forest resource development agreements to impose its conditions on the provinces, namely in the area of reforestation and silviculture.

[*Translation*]

We have a lot of catching up to do. Canada's productive forests cover a total area of 220 million hectares.

• (1220)

Over the years, 12 per cent of those lands have not been satisfactorily restocked. We are looking at an increase of 200,000 hectares or nearly 1 per cent per year. Granted, 88 per cent has been reforested satisfactorily.

However, it means that next year, it will be 13 per cent and the year after, 14 per cent, and so forth. We cannot let a situation like this develop. We must act instead of constantly blaming the provinces. It is the only way to enforce the rules of sound forest management, as described in subsection 6(c).

[*English*]

Not enough emphasis can be put on silviculture and reforestation. Harvested land must be restocked. The notion that our forests are inexhaustible is totally false. This is where the concept of sustainable development is universally accepted. It is the means by which we can save our forests and prepare for tomorrow.

Subsection (d) of Clause 6 deals with sustainable development. In very simple terms it means ensuring that in 50 years to 100 years from now there will still be trees to harvest in Canada. We can no longer take for granted that our forests will exist forever.

As the minister is saying in *The Green Ghetto*, published in October of 1983, "The federal government must begin by putting its own house in order. Federal forest lands have the poorest inventories, the worst neglect of regeneration, and virtually no protection from fire and insects." Mr. Speaker, co-operation between the provinces, the federal government and the industry is a must.

I would go so far as to propose that the federal government enact strong legislation to lead the companies involved in clear cutting to reforest any area that has been harvested. If stiff penalties are the only way to get the message across, then let us not be afraid to impose them. Our future needs to be protected because jobs depend on it. The survival of those 350 communities previously mentioned should benefit from the vision that we, as legislators, have today. The minister's view in *The Green Ghetto* fully supports the statement, "Rapid action is needed just to protect the industries and their employees. Without significant improvement in our forest performance we will not only forfeit opportunities to expand, we will suffer rapid and painful deterioration".

Sustainable development should also be promoted because some regions depend on forestry as a means to develop and promote tourism. One example comes to mind. A few weeks ago I visited the town of Tofino, British Columbia, with my hon. colleague from Hamilton East. We were greatly impressed by the scenery. It is easily understandable why the local residents express such a strong desire to keep their surroundings intact. Indeed, Mr. Speaker, 57 per cent of the town's population depends on tourism. Can you imagine the devastating effects of clear cutting the steep hills that sculpt the background? Erosion of the top soil to the bedrock would undoubtedly prevent any regeneration. It spells disaster. The spectacular sight it offers today would disappear forever.

I maintain that there is room for compromise, especially if forest companies across Canada would agree to selective harvesting, intensive reforestation and preservation of specific areas where nature would be forever stripped of its assets.

Another fascinating example would be the preservation of the Carmanah Valley with its prestigious spruce grove. These trees took 300 years to 400 years to grow; it would be a shame to destroy all of that within a few days.

Clause 7 of Bill C-29 stipulates that the minister should:

> (a) promote co-operation,—with the governments of other countries—

Co-operation, though, should not be a giveaway as it is the case with the softwood lumber issue. The government via the forestry minister has acknowledged that the 15 per cent export tax on softwood lumber is terribly hurting the industry in Ontario and in Quebec. If I were an American, I would also be very reluctant to terminate the softwood lumber deal struck in December of 1986.

The forestry department should indeed stand up for the industry and demand that the deal be abolished. Failing the Americans doing so, the forestry department should request a hearing at the bilateral procurement board and take it from there. We should not go down without a fight when so many jobs are at stake.

Subclause 7(b) refers to the possible creation of a national data bank of forestry. According to the last Auditor General's report, "there is little information to assist Parliament in making judgment on the national Canadian forestry service program priorities as to how successful CFS has been in meeting its objective".

It is clear that with the rapidly growing importance of the industry such a bank is a must.

[*Translation*]

Bill C-29 does not mention unemployment in the forestry industry. Together with the Department of Employment and Immigration, the new department should set up a new training program for workers who have been laid off as a result of mechanization and advanced technology. It is alarming to note, Mr. Speaker, that in the forestry industry's logging and transportation sectors alone, unemployment increased in 1987, rising to 22 per cent. This is extremely high if we consider that at the time the national average was 8.9 per cent.

[*English*]

I could not conclude my remarks without referring to the desperate situation which is currently unfolding in the rain forests of the Amazon. Western leaders are creating a dependency by forcing Third World countries to blindly exploit their natural resources, namely forests.

It is hopeful that Canada will remain sovereign in its exploitation of its natural resources. A strong forestry department is the only insurance against the forceful hand of other industrialized countries.

The new department should have a clearly stated national responsibility for federal leadership in forestry matters, research and technology transfer, forest resource development agreements, forest resource data, industry marketing, trade and employment and public awareness.

The Acting Speaker (Mr. Paproski): The hon. member has another five minutes left so he does not need to rush through his speech.

Mr. Bélair: I thought Your Honour was letting me know that my time was over.

To conclude, Bill C–29 has its weaknesses. I would like to think that the government in next year's budget will allocate the necessary funds to allow the department to completely fulfil its mandate and to exercise its responsibilities toward the most significant single industry in Canada.

Mr. Bellemare: Mr. Speaker, I would like to commend the member of Parliament for Cochrane—Superior on his speech in support of Bill C–29, that is, the establishment of a ministry of forestry. I thought his subjects of tourism, forest industry and especially employment and job training were *très à point*.

He mentioned also about the depletion of trees. I wonder if he would elaborate on the importance of reforestation *vis–à–vis* the environment.

• (1230)

Mr. Bélair: Indeed, it is a pleasure for me to answer that question. Reforestation, of course, is the major component of this new concept that has been thrown around for the last couple of years, namely sustainable development.

From the beginning of the century until the early 1960s, reforestation was not a major aspect of the forestry industry. For the last 20 years, companies and governments have started to realize that if there is not a very strictly adhered to program of reforestation, in 20 to 50 years from now there will not be trees to harvest in Canada.

Maybe I should be more specific. Now, most of the companies are within 50 to 100 miles from their plants. In 20 to 50 years they will be 200 miles from their plants. It is going to be extremely expensive for them to harvest and bring the product back to either the sawmill or the pulp and paper mill.

If we are going to endorse sustainable development, reforestation is a must. It is a major factor in ensuring the industry's future.

Mr. Worthy: I would like to ask a question of the member for Cochrane—Superior. Actually, I would like to ask several, but I probably will not have time for that.

He was talking about that beautiful part of Canada, British Columbia. I do not happen to live in that actual area, but I have spent some time working there. There are beautiful stands of trees. Any one of us would stand in awe at what nature has wrought.

There are many, many groups of people advocating the preservation of such lands. But there are also many groups and many people whose jobs and livelihood is dependent on the forest industry. For example, the leadership and the membership of the IWA in British Columbia are very concerned that proposals to preserve these beautiful trees will also be taking their livelihood.

I wonder if the member would suggest how he would approach that situation.

Mr. Bélair: I thank the hon. member for his question. Indeed , I addressed the same issue briefly in my speech.

What I saw in B.C., and I am going to use your words, was awesome. We have met with some environmentalist groups as well as with people from the industry. This is why I mentioned in my speech that there is still room for compromise.

I will come back to the same two examples I gave to you. In Tofino, the hills surrounding the town itself are absolutely beautiful. Right now there is a possibility that a company which has a tree farming licence may strip those hills completely, clear cut them of all wood. So, if you are on one side of the issue, can you imagine promoting the tourism industry and having those stripped hills to show to the people?

On the other hand, this is where the compromise could be. What if the companies strip only the side of the hill which is not visible to the tourists. That would be number one. In that manner it would not affect the tourism industry. There is also the possibility of selective harvesting. This would mean that one tree could be cut and one left to make sure that those steep hills do not erode. It is a very simple matter to say that if there is no topsoil on top of that bedrock it will not be able to grow another tree. If a hill is clear cut, then forget it, it is impossible to reforest that particular area.

At the same time, we could talk about sustainable development. The industry and the workers have to realize that today, yes, there are trees to harvest. But the way it is going now, in 20 or 50 years there will not be anymore trees to harvest and, therefore, some jobs will be lost. So now is the time to sit down and try to reach a compromise depending on each and every specific situation.

Mr. Arseneault: Mr. Speaker, I just want to make a few comments. I could not resist listening to the fine question from a member on the government side. That is one of the weaknesses of the bill. Bill C–29 does not address some of those issues. It provides for conflict all the way throughout.

There is a problem with a logging road in northern Ontario. There are problems in B.C. Environmentalists and industrialists are at odds with each other. What is the government doing about it? Nothing. It is just sitting back doing nothing about it. Bill C–29 should make the Forestry Department a little bit stronger.

My hon. colleague for Cochrane—Superior mentioned in his speech the replacement of jobs because mechanization and advanced technology is putting people out of work. What is the government doing about it? Bill C–29 does not address any of those issues.

Sustainable development is the key to the future. We hear the government preaching about the environment time and time again. What is it doing about it? It is mentioned briefly in passing in Bill C–29. The government talks about how important this bill is, how it was first on the order paper yesterday. It was promised in 1984 and there have been a lot of Order Papers since 1984. We have been waiting for this bill.

We support a strong Forestry Department. This is what the industry needs; this is what Canada needs, a strong Forestry Department.

The Acting Speaker (Mr. Paproski): The hon. parliamentary secretary has a fast short question. I will entertain one more question and then it is *tout fini*.

Mr. MacDougall: Mr. Speaker, with regard to the comments by the hon. member for Restigouche about northern Ontario and logging roads, I would just like to make it abundantly clear that it is a provincial matter, not a federal matter, and it has to be dealt with by the province of Ontario.

[*Translation*]

Mr. Champagne (Champlain): Mr. Speaker, this is a comment for the Hon. Member for Restigouche. I believe that by tabling this Bill, the Government wants to strengthen the position of the department of forestry so that it can negotiate with other departments that are indirectly involved in forestry.

The Hon. Member for Gaspé pointed out earlier that there were at least nine departments that were either directly or indirectly involved in forestry. I am thinking, for instance, of the National Research Council which has a budget of $38 or $39 million for certain programs, money that is spent mainly on forestry research.

I would like to point out to the Hon. Member for Restigouche that since 1984, the federal Government has not acted unilaterally to force its vision on the provinces and on the industry. We have consulted with each province and all parties concerned. And this is exactly what the Bill tabled by the Minister of Forestry is intended to do: achieve a degree of co–operation, harmony and development that will be far more rational and more effective, instead of acting unilaterally as suggested by the Liberal Member for Restigouche.

[*English*]

Mr. Bélair: Mr. Speaker, I have a brief comment. Under the Constitution Act, 1982, natural resources including forests are a provincial jurisdiction. From an environmental point of view, this does not mean in any way that the federal government should divest its responsibility for the forestry sector. The industry needs us and national parks need the federal government. We should take our responsibilities also.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to have an opportunity to speak on bill C-29. It is a piece of legislation that has been an awfully long time coming. I can recall on August 30, 1984, during the election, the present Minister of Forests was quoted in the Prince George *Citizen* as saying that a full forest ministry would be be initiated with legislation immediately after the election. But this is only five years later, so it has been a while coming.

• (1240)

There are problems with the bill. I know it is going to be amended in committee. I am hopeful that the minister will see the light and see that there are areas of the bill that are very much in need of being properly beefed up because the bill shows little sign of a holistic, ecological approach to our forests. We have had for several centuries, in some areas of this country, all kinds of investment on the extraction side, on the manufacturing side, and on the technological side of the harvesting and manufacturing of products from our forests.

There has been little effort and certainly little money, either by the forest companies or by the provincial or federal governments, on the biological side. That is why we face the crisis that we do, which is something that has been identified by everyone from the Auditor General to the Science Council of Canada, to the Canadian Institute of Forests, and many other organizations from coast to coast.

I predict—it is awful to have to predict such things—but I predict that in 10 or 15 years from now in this Chamber, there will be another debate about whether or not to use the peace, order and good government constitutional powers of the Government of Canada, of Crown Canada, to invoke an entirely new approach to Canada's forests because of the crisis we have in our atmosphere. I do not think the Government of Canada or governments around the world are yet taking seriously enough the problem with the whole carbon cycle and the dramatic impact that healthy growing forests have in reducing that crisis.

Let me take a quick look at the bill, before going on to one of my favourite documents entitled *The Green Ghetto* authored in 1983 by the present Minister of State for Forests, soon, I presume, to be the full Minister of Forests. What concerns me, is that the bill is awfully thin gruel, when one thinks of the size and value of this industry to this nation. One in 10 Canadians is directly or indirectly employed by it. It is our largest source of balance of trade.

The federal government, under Liberal governments and under Conservative governments, continues to return less than five cents out of every dollar taken from that sector. You cannot find another sector in the Canadian economy taxed in the way any of those areas are that get such a low rate of return from government, whether it be provincial governments or federal government.

One thing we have seen in recent months is the dramatic drive by the forest giants. There are only four major companies left in British Columbia. They pretty well control the whole of the forest land base in B.C. It is a similar situation right across the country. Certainly it is in New Brunswick where a very small number of companies control about half of the land in the province.

They have attempted to take hold of the words "sustainable development" and to change that in the public mind to mean "sustained development", sustained harvesting, without ever dealing and yielding to the biological reality of what sustainable yield really is in terms of the ecological wholeness of our forests, whether deciduous or coniferous forests anywhere in this country.

That section has to very clearly be expanded to send a signal, not just to provincial Crown authorities, but to the forest companies, both private and public sector, right across this country, as to what sustainable development really means. We know that even when one goes to the third page to clause 9 and finds what the minister has agreed to have in there through his legal draftspersons in relation to inventory.

There is not an accurate, adequate inventory, not only of our regional forests, but certainly not of our national forests. That has to be one of the fundamental roles taken on. I know the minister believes very strongly in proper, adequate, understandable, sound inventories. I would hope that he would be very co-operative in committee in seeing that that section is properly amended.

Let me deal for a moment with *The Green Ghetto*. I am sure you have read this document by my friend from Prince George—Peace River. It certainly makes good reading. This was written a couple of years ago but I will quote from the introduction which states:

> Over the next two decades millions of people will work in forest related industries while millions more will use the forest for recreation and escape. But, on our present national course, by the end of those two decades, the jobs will be vanishing, leaving hundreds of communities with no other industry, and boaters and campers will find their activities confined to increasingly crowded "forest ghettos" called national or provincial parks. Disputes between industrial and environmental interests could become bitter. The social ramifications of reduced government services in provinces presently dependent upon forestry tax revenues will also be considerable.

Those are prophetic words, Mr. Speaker. That is exactly what has happened. In my home province of British Columbia, over the last five years, 25,000 jobs have been lost in the forest sector and we did not hear a peep out of Ottawa as to what could or should be done. We have had a $300 million jointly shared FRDA, made up of $150 million in federal funds and $150 million in provincial funds. The province wants to sign a five-year FRDA for $1 billion. But, as the minister knows, the actual amount put forward for forestry for the whole of Canada is down in the estimates. It is down, not up. I certainly have not heard the kind of remarks from the Minister of Forestry that one would expect from someone who published such a prophetic statement and has seen so little action in the last five years, entirely under a Conservative government, in terms of money going out there.

So what is going on is a bit of a shell game with the Minister of Finance and the Minister of Forestry saying, "Well, maybe we will sign a 10-year agreement. We will see if we can fool the public. We are only going to put up a little money so we have a $300-million FRDA over five years. Let us do one over 10, so at least we can have a $300-million FRDA over 10 years", or perhaps it is something a little bit more.

It is clear, contrary to what the Minister of Forestry has said in B.C. in my own riding, that there are not adequate numbers of trained technicians for intensive forestry, to get out there and to husband the forests. In fact, there are. People have been preparing themselves very well right across British Columbia and right across this country under the existing FRDAs to actually get into the big expenditure years which we have all expected. Certainly, I trust the minister will be signing a $1 billion FRDA prior to March, 1990 when our existing FRDA runs out.

Page 2 of this document known as *The Green Ghetto* states:

> There are dozens of measurements of forestry activity by which our performance can be compared to other nations. One simple one is the number of foresters currently managing our forests. In 1982 Dr. Marcel Lortie, Professional Forester, estimated that only about 500 professional foresters were engaged in "on-site forest development. While our chief competitors (the United States, Sweden and Norway) have approximately one forester to every 15,000 hectares (34,000 acres) of land, Canada has one for every 450,000 hectares (1,111,000 acres). Moreover, as we improve, so do they. "If, in 10 or 20 years, Canada has attained the ratio of 15,000 hectares per forester—the ratio in these countries will have increased to around 10,000 hectares—per forester."—He noted that some countries practice even more intensive management—i.e. Czechoslovakia, with one forester to every 300 to 400 hectares (750-1,000 acres).

I have not seen much sign, Mr. Speaker, in relation to the expenditure plan we have, that there is any plan at the national level for a serious new body of professional foresters to conduct an inventory. You cannot run a popcorn stand unless you know how much popcorn you have. You cannot run a tire store. You could not be a farmer. But here is the federal government touting this new act, but without putting the financial muscle forward and saying: "Yes, we are going to take an inventory; we are going to do something serious about fires."

Almost as much land was burned so far this year as was harvested in this country. The military were never mobilized. Some comments were made by the Minister of Forestry years ago about the need for a broader base in terms of water bombers and the sharing of high-level aerial infra-red photography so that we can locate those fires before they start to spread. The technology is available now to isolate, through various forms of photography, areas that are having problems with disease or with insect infestations. We have to get much more serious about putting in the money that needs to be put into the largest industry in this country so that we can protect the forests that are there and manage them properly because they have been horribly mismanaged throughout all of Canada's short history.

At page 7 *The Green Ghetto* further states:

> In 1983, the Science Council of Canada warned "The forests are essential to our social and economic well being; yet we have allowed them to degenerate to a dangerous point. We have been felling, selling and shipping timber for so long, and at such a rate, that today a 23-billion dollar industry is facing economic stagnation."

I am not going to quote too much of it, but at page 8 *The Green Ghetto* further states:

> Almost 12 percent of our productive forest land is now in this dismal condition, and each year 300,000 hectares (half a million acres) are added to the backlog. If properly stocked this land alone could sustain Canada's harvest for about 30 years.

Again, let me deal with my own province about which I know the most in terms of forestry matters. The professional foresters in that province, through the ministry of forests, say that the sustainable yield in British Columbia is about 57 million cubic metres a year. The harvest this year, including private land that is being harvested, will come very close to 100 million cubic metres. COFI, the Council of Forest Industries in B.C., has predicted that we could harvest 166 million cubic metres.

• (1250)

As Dr. Bill Reese pointed out in B.C. this week, in a public meeting that I attended, the over-harvest that is going on in British Columbia is an over-harvest of almost 100 per cent. Professional foresters say 57 million cubic metres can be harvested and have sustained yield and we are cutting almost double that.

What does that mean, Mr. Speaker? We know about the fall-down effect. We know that our "nsr"—not satisfactorily restocked—lands are growing, not shrinking. We have the government playing coy, playing a shell game about how much money is going to go into the next phase of FRDA. We need to plan in British Columbia. We need to know what sites we are going to intensively manage; what areas we are going to get into seriously dealing with the existing soil erosion; what areas we are going to have to deal in a serious way with the kinds of undergrowth that have come up that are keeping the kinds of timber that are most suitable for those sites from growing back.

When I say holistic forestry, we are so far behind countries like Sweden that not only replant marketable, merchantable species of timber, they are also now planting seed grasses for songbirds; they are planting willow for moose. In Sweden, three times as many moose were harvested last year as were taken in the whole of Canada, and Sweden has less moose habitat than the province of British Columbia.

When we are talking about the forest we have to realize that we should not only harvest it and then just go in and plant a few coniferous or deciduous trees that are good for today, but we have to be forward looking now. The greenhouse effect has started. There has been a one degree Celsius change. We know how long it took the forests to move back up all of North America following the last ice age. It is a very slow rate of movement. We have to recognize that some of the sites that we are presently planting with certain kinds of species, will not likely even survive to maturity if the greenhouse condition continues at the rate that it is.

There is no sign that the Government of Canada, the Government of the United States, or the Government of the Soviet Union, the three largest producers of carbon into the atmosphere, are likely to dramatically reduce the amount of carbon going up in that cycle. That is why I make such a dire prediction that the next major debate on forestry in this chamber will be to use "pog" power: peace, order and good government, in relation to the severity of the crisis in our forests throughout the world.

On page 28 of *The Green Ghetto*, it states:

> Not since Nero has there been so much fiddling, while so much burned.

Well, nothing could be more true this year, Mr. Speaker. If you look at the amount of money spent and the number of people, and the amount of equipment mobilized to fight the forest fires that went on in this country, it is absolutely pathetic, if not criminal, that the governments in this country are so pathetically inclined to deal with fire and so pathetically inclined to deal with disease. It is something that this bill should be seriously addressing because it is in the nation's interest. If the provinces will not do it, I believe very strongly in a strong national government that takes these kinds of things on.

Here is what the minister had to say just five short years ago: "In addition to the water bombers, Canada needs high altitude aircraft with infra-red scanning equipment to detect fires as soon as they start". We still do not have one.

Mr. Oberle: Yes, we do. Lots of them.

Mr. Fulton: "Lots of them", says the minister. I would like to see the hours they flew while those fires were going on.

The Minister also stated: "Extraordinary work is being done in this area around the world today, but it is expensive and more shared cost programs will be needed if we are to have the technology available here in Canada."

Here is the ending. This is how the minister, while he was a private member, ended his report:

> The paper was intended to show that our national policy has been to avoid decisions, allowing neglect to make the choices for us. Years of indifference have restricted the number of options now available and we are close to a time when it will not make any difference what we do.

Prophetic words, Mr. Speaker, because that is exactly what has happened over the last five years. Forestry has been neglected at the federal level, at levels that will have incredible burdening consequences, not only upon our generation but upon generations yet to come. Let us look at why I say that.

Every year between 200,000 and 400,000 hectares are being added to what is called "nsr" land, not satisfactorily restocked land. One-eighth of Canada's productive forest land has deteriorated to the point where it can no longer regenerate productive forests. What happens is that the very thin topsoil, as other members have talked about, is often eroded following the kinds of forest practices we have allowed to go on to this point.

In 1983, 350 million seedlings were being planted annually in Canada. In Sweden, a country smaller than Alberta, 400 million seedlings are planted annually.

Sir John A. Macdonald, on June 22, 1871, 128 years to the day that this bill was introduced in June of this year, had this to say, and I quote:

> The sight of immense masses of timber passing my window every morning constantly suggests to my mind the absolute necessity there is for looking into the future of this great trade. We are recklessly destroying the timber of Canada and there is scarcely the possibility of replacing it.

Again, prophetic words. Again, a Conservative, but in 128 years the Conservatives have not come forward with policies to deal seriously with forestry in this country.

We heard questions posed by a B.C. member and we hear them often from the minister. Why are we facing crises such as those in Temagami, Carmanah, the Stein, and the battle that went on over South Moresby? Only 2.6 per cent of this entire nation is adequately protected in conservation areas. The Prime Minister is quick to go to the United Nations and state that we adopt all of Prime Minister Brundtland's recommendations, and the World Commission Report, but that means we have to set aside 12 per cent of the lands in this nation for conservation purposes.

If you look at British Columbia that means we have to double the amount of land, parks, and ecological reserves in that province. We have to settle aboriginal title in the whole province of British Columbia. There needs to be a much broader, forward-looking, land use management strategy at the federal level to say what lands are going to be necessary to deal with the conservation strategy, to deal with the issue of aboriginal title, to deal with the crises we are facing in terms of marginalizing so much land that could and should be productive forest land.

Forestry can be and should be the bulwark of Canada's economy, but it soon will not be because of the irresponsibility and incompetence in both the private sector, and in what we obviously should have been doing in legislatures which simply has not taken place.

Even this year the Auditor General for Canada reported that "lack of adequate forest management has much depleted the forest resource. Significant shortages of wood are reported at the local level in every province. Restocking of productive forest lands has not kept pace with the harvest."

Those are the words of the Auditor General. So we have the Science Council of Canada, and the Auditor General, the minister in his former incarnation as a true believer in what could and should be done, but now he is having to deal with a cabinet who have recklessly kept him on the back burner. Why has he not been given a full ministry, and a deputy with long, sharp teeth, and a budget that can actually deal with these kinds of things? What kind of a reckless Prime Minister would keep a minister like that hidden away behind the curtain for so

long? Why has there not been debates in this chamber on forestry? Why are we not taking the kinds of proper approaches that we should be? Where is the billion-dollar FRDA that should be signed some time this month? Why is the minister playing the shell game about a 10, or a 20, or a 50, or a 300-year FRDA to try and cover the fact that his colleagues are being cheap and are chiselling the money away so that Michael Wilson can have $7 million to advertise the GST in *The Globe and Mail*?

Some Hon. Members: Shame, shame!

Mr. Fulton: We know his voice is not being heard yet, but from this side of the House we will speak up for the forests and encourage him to come forward with the kind of legislation that every professional forester in this country wants to see. They are waiting; they are listening. Those 400 single-industry towns are waiting to see whether the minister can deliver anything other than a small chicken egg. The seeds of revolution have been sown in this country in relation to our forests. We have to conserve. We have to properly treat our forests.

Mr. Speaker: I regret that the hon. member's time has expired, but he still has 10 minutes for questions and comments.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

THE PRESS

Mr. Gilles Rocheleau (Hull—Aylmer): Mr. Speaker, on September 6 this year, an article in the newspaper *La Presse* reported some comments I made about the PQ candidate in the riding of Chapleau which were also quoted by two of my colleagues yesterday here in the House.

These comments were labelled as being racist, and I am very sorry if anyone's feelings were hurt. That was certainly not my intention, and it was certainly not the purpose of the private conversation I had with the journalist in question, and I apologize, Mr. Speaker.

* * *

[*English*]

THE LATE PAUL ANTHONY JOHNSTONE

Mr. Peter L. McCreath (South Shore): Mr. Speaker, last July 30, Nova Scotia and Canada lost an outstanding citizen with the sudden death of Dr. Paul Anthony Johnstone.

Dr. Johnstone came to Canada from his native Jamaica 22 years ago. He became one of the pioneer leading figures in the fields of multiculturalism and human rights in this country. Indeed, his work at home and abroad contributed significantly to the position of leadership that is attributed to Canada internationally in the field of multicultural education.

At home in Atlantic Canada he was known as the father of multicultural education; indeed, as a prophet in our time. As executive director of Nova Scotia Human Rights Commission Tony Johnstone was one of Canada's very few, if not only, black deputy ministers. His contributions to intercultural and interracial understanding of our country was profound. He will be greatly missed by those of us who knew him, but all Canadians present and future are the beneficiaries of his work, his leadership and his contribution.

* * *

PROPOSED GOODS AND SERVICES TAX

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, this morning the finance committee heard from One Voice, the national non-profit organization for seniors. Since August, One Voice has been contacting every major Canadian seniors' organization to hear their reaction to the proposed goods and services tax. What it learned is that seniors organizations in Canada are opposed to the goods and services tax.

Why, Mr. Speaker? Quite simply seniors do not trust this government. They do not trust a government that promised to protect universality and yet has introduced a clawback on old age security pensions that will each year deny more and more seniors their rightful entitlement to universal social benefits. They do not trust a government that promised to make the tax system fairer yet has introduced a consumption tax that hits hardest at seniors on fixed income who will be forced to pay more and more of their income on basic necessities.

Seniors in Canada have learned that they can count on this government for only one thing, and that is the continued erosion of their income security.

* * *

CYSTIC FIBROSIS RESEARCH

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, this summer's news that a team of scientists at the Hospital for Sick Children in Toronto has found the fatal gene defect that causes cystic fibrosis is great news for all Canadians.

Led by Dr. Lap Chee Tsui, this medical team has made what someone called one of the most significant discoveries in the history of human genetics. Finding this gene holds out the prospect of an assault on cystic fibrosis from an understanding of its cause, the basic genetic defect, and its discovery will lead not only to diagnostic testing for carriers but also to the perfection of prenatal testing for the disease.

Our thanks to Dr. Tsui and his team for their dedication and hard work. Godspeed for their continued success.

* * *

EXTERNAL AFFAIRS

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, on June 5, 1989 we rose in this House to unanimously condemn the Chinese government for the use of brutal and excessive force against its own people in Tianamem Square. Within one month, the government approved approximately $230 million in loan money to the Government of China.

Since 1985 we have been hearing about the leadership role our country is taking with respect to economic sanctions on South Africa, and yet this year we see that our imports from that country have jumped up by an incredible 62 per cent.

These are only two in a series of inconsistencies that are giving our country a reputation not of credibility but of hypocrisy.

As Canada prepares to take up its seat as president of the United Nations Security Council, I urge the secretary of state to take this opportunity to prove that we are deserving of the position by reversing the trend and starting to honour our promises and to live up to our commitment.

* * *

THE ENVIRONMENT

Mr. Stan Darling (Parry Sound—Muskoka): Mr. Speaker, environmental concerns form without a doubt the most serious concerns of all parliamentarians in the world. Every nation on this planet is affected and could be permanently damaged if we do not deal with these problems soon. I have on one or two occasions voiced my opinion on what we should do to combat acid rain, so I am very happy to see other members finally coming on side. Canadians from across the country can be pleased at the recent emphasis everyone in the House is placing on the environment.

I rise today in order to praise a colleague from across the floor. The member from Broadview—Greenwood is to be commended for his efforts at the recent Conference on the Environment held in Toronto. All parties were present and even though all the problems of the world were not solved, we did take a few more steps in that direction. Every world class conference like this only helps us as Canadians show the world we are facing up to our responsibilities. This will only help in our negotiations in the future. To all those involved in the conference I say congratulations.

* * *

CANADA–U.S. FREE TRADE AGREEMENT

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, I rise today to speak about the now deceased spirit of free trade. Spirits are elusive and invisible. Canadians caught the spirit but the Americans have effectively killed that spirit.

I want to tell the House that the American steel industry is harassing the Canadian steel industry. Rulings two weeks ago imposed 100 per cent punitive duties against Sysco Steel and 39 per cent against Algoma Steel. If the ruling is upheld by the disputes mechanism panel, Canadian steel rails will be effectively excluded from the American market.

Everyone agrees the ruling against Algoma Steel was unwarranted, unjust, irrational, even stupid, but it is true. And what does the minister say? Absolutely nothing, not even a press release that his staff prepared. There is no guarantee that the ruling will be overturned, suggests the minister.

In conclusion, if the ruling is upheld we hope that the trade minister will join with Algoma Steel, probably all Canadian steel producers across this country, and with me and my colleagues, not only to bury the spirit of free trade but also the body of the free trade agreement.

* * *

WEST COAST FISHERIES

Mr. Stan Wilbee (Delta): Mr. Speaker, the Progressive Conservative government has maintained a very strong commitment to the management of our west coast fisheries, a commitment that has been demonstrated very well this year by the record levels of Fraser River sockeye both caught by our fishermen and returning to the spawning grounds. The estimated horse-fly run of sockeye to the Fraser this year was over 18 million, the best since 1913. Over 11.7 million fish were caught and approximately 5 million fish were allowed to spawn to ensure that an excellent run will appear four years from now.

The Fraser River is a major beneficiary of the government's Salmonid Enhancement Program with over $42 million being spent on the west coast this year on salmon enhancement. Hundreds of British Columbians, including many school children, are involved with local salmon enhancement funded by the government. Successful management requires co-operation of the government, fishermen, industry, native groups and all British Columbians.

I congratulate the Minister of Fisheries and Oceans and his staff for their outstanding work in the area of fisheries management and salmon enhancement and tell him that the fishermen who work the mighty Fraser River in my riding of Delta are looking forward to even better runs in the future.

S. O. 31

VIA RAIL

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, as the associate critic for the disabled, I was outraged to discover that a disabled veteran was recently forced off a VIA Rail train beside a highway in the middle of nowhere after accidentally sleeping through his stop. The constituents of Hamilton Mountain and I—in fact all Canadians—are very concerned about this incident. That this shocking event took place at all shows how cut-backs to VIA Rail are affecting its employees.

I find it hard to believe that this incident would have occurred with a contented train crew. We all know that staff at VIA Rail has done its best to provide excellent service to Canadian travellers for year, so when a 76-year-old blind man is victimized I think we can presume that quality service including service for the disabled is now being derailed by anxieties over employment security at VIA Rail.

The disabled in this country are already being burdened by this government's cut-backs. Need they suffer more?

* * *

• (1410)

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, I would like to highlight the impact of the free trade agreement on a very important area of the Canadian economy, that is, investment in Canada.

Canadians were told by the pessimists that free trade would cause investment to dry up and that our industries would close their doors and move to Alabama or Georgia to take advantage of inexpensive labour.

In the riding of Elk Island we can see that the opposite is happening. In Elk Island we see a $300 million new development in advanced industrial materials, a proposed $600 million expansion in the petrochemical industry, a new $60 million plant to produce environmentally friendly pulp industry chemicals, and a new pharmaceutical chemical operation. There is more, much more to come in the future. It is a future made brighter by free trade, a future that will mean more investment in Canada.

S. O. 31

IMMIGRATION

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, when 174 East Indians landed at Nova Scotia two years ago, the Prime Minister and the Minister of Employment and Immigration launched an hysterical campaign, calling it an invasion threatening our sovereignty. Yet, when a rich businessman brags about buying a visa for $200,000, we don't hear a peep out of our brave Prime Minister or any of his ministers.

The Globe and Mail has again exposed a scandal of so-called investor visas for rich people who are not seriously interested in investing in Canada and may not even live here when they get their visas.

This Tory government issues thousands of these visas, over 3,000 in 1988 alone, while it deports seven times as many people to poor countries as to rich countries.

I call on the government to stop the investor and entrepreneur visa programs, investigate these rackets, close the loopholes and revoke the visas got under false pretensions. After all, if the minister deports penniless refugees when she does not believe their stories, why welcome rich cheaters? They are not the kind of people who build our country.

* * *

PROPOSED GOODS AND SERVICES TAX

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, the government's proposed goods and services tax is totally unacceptable to the people of the north, as my colleagues from this side of the House already know.

The people of the north already bear the burden of this country's highest cost of living. The food price index in Yellowknife is approximately 35 per cent higher than in Edmonton. Spence Bay has a food price index 96 per cent higher than Yellowknife. Living costs in the Keewatin range from 50 per cent to 70 per cent higher than the supply base of Winnipeg. Kitikmeot residents face costs that are 70 per cent to 139 per cent higher than Edmonton. The cost of transportation is the greatest factor in our higher cost of living. We simply cannot absorb an additional 9 per cent tax on necessities that are already many more times expensive than in southern Canadian cities.

This unfair tax will punish northerners in ways the government has obviously not thought about. I remind the government that a northern income cannot purchase what a southern income can. The government must reconsider. It must give special attention to the effects of this tax on northern Canadians. I invite the Minister of Finance to go to the north to see for himself.

* * *

LIBERAL PARTY OF CANADA

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, I have some sad news to report. The previously announced Liberal leadership stakes have run amok. They refuse to break from the starting gate. Race officials are now searching Canada's bushes looking for suitable entries.

The also-rans are just snorting that the $1.7 million entry fee will be for the rich and famous only. There is new speculation that the losers of the socialist turtle derby presently being run and difficult to follow will be invited to enter the gate of the Liberal leadership stakes. That disenchanted fans are calling for an inquiry and now the bookies are refusing all bets. Where is a dark horse when you need one?

* * *

CANADIAN INFRASTRUCTURE

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, as the co-chair of the national Liberal task force on Canada's infrastructure I spent the last two months meeting with Canadian officials and environmental groups in several Canadian cities to find out the severity of problems with regard to deteriorating roads, bridges and sewers.

The actual statistics in all regions of the country indicate that the problems are far worse than ever could have been anticipated. With virtually no money to repair them, roads are deteriorating at an alarming rate. Raw sewage is being pumped into our rivers and oceans. Historically the federal government has always been involved, along with the provincial and municipal governments, in the cost of financing Canada's infrastructure. The federal government should share in the cost of construction and separation of sewers. Our beaches must once again be used for recreation and swimming, not for waste disposal.

Canadians realize that a healthy environment is the foundation of steady economic growth. When will this government commit to resuming its traditional role with

the provinces and municipalities in saving our cities and towns.

* * *

ROYAL CANADIAN MOUNTED POLICE

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, in western Canada the RCMP uniform is a symbol of our heritage and must be preserved in respect for our forefathers and as a legacy for the future. It is imperative that we retain the distinct heritage and tradition of the RCMP by maintaining the uniformity of their dress code, with all the recognizable colour and trappings that have had such great historical value for this country.

I strongly urge the Solicitor General to undertake the necessary steps required to declare this uniform a national symbol of Canada.

ORAL QUESTION PERIOD

[*English*]

PROPOSED GOODS AND SERVICES TAX

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister. He will undoubtedly know that on CBC *Newsworld* last night the Minister of Finance laughed when asked about taxing food. He said the reason he refused to answer the question put to him yesterday in the House of Commons was because it was "a little parliamentary ploy by the opposition". He went on to say that to answer questions about a tax on food, and I use his words again, "just starts down that slippery slope".

We know that the Minister of Finance has already broken his word by putting a $2.5 billion tax on fast food and restaurants.

Mr. Wilson (Etobicoke Centre): Broken my word?

Mr. Turner (Vancouver Quadra): Well, he intends to do this.

Mr. Wilson (Etobicoke Centre): You better check that, John.

Mr. Turner (Vancouver Quadra): Yes, indeed. And he is unable to define, even after two years, what the definition of basic groceries is. We know that he is now playing a game in refusing to say to the House of Commons whether or not he is going to expand that tax on food.

I ask the Prime Minister if he will give a solemn, unequivocal undertaking to the House of Commons and through us to the people of Canada ruling out any tax on food.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I suggest to the Leader of the Opposition that he check his words very carefully as to me breaking a promise. I said very clearly in December of 1987 that we would not tax basic groceries. He is now twisting what I said to his political benefit. He knows that that is true.

What we have put forward to the Canadian people is a proposal in the technical paper, which is a very well balanced and carefully structured proposal. This involves the goods and services tax, plus a number of fairness features, as part of that over-all tax system. Those fairness features include the exemption from taxation of basic groceries. It involves a very generous refundable tax credit. It involves a reduction in the middle income tax rate, a housing rebate and a payment to small business to offset the cost.

We in the government feel very strongly about that balanced package, but it is very important that we allow the finance committee to operate by not ruling out this or any other of the specific items which the Leader of the Opposition or the Leader of the New Democratic Party ask us about because as sure as we are standing here, it will be on food today, tomorrow it will be something else, then the next day it will be something else. Before we know it, the chairman of the finance committee will be saying: "What are we meeting for?" We say that there is a very important role for the finance committee.

Some Hon. Members: Hear, hear!

• (1420)

[*Translation*]

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we are already asking that very question, but I believe that today we got the answer. Despite the fact that the Minister's intentions were kept under wraps, it would seem that he does want to put a tax on food.

Mr. Speaker, on June 23, 1987, while making one of his more insulting comments, the Minister of Finance told the Hon. Member for Laurier—Sainte-Marie that there would be no tax on food, and he accused the Member of scaring senior citizens and the poor by talking about a tax on food.

I want to ask the Minister of Finance why he doesn't have the courage to say again today what he said to the Hon. Member for Laurier—Sainte-Marie two years ago. Why is he playing cat and mouse with the tax on food? Why doesn't he act on the recommendations made this morning before the Finance Committee by senior citizens, and refrain from putting a tax on food? Why doesn't he say quite frankly: There will be no tax on food here in Canada?

[*English*]

Mr. Wilson (Etobicoke Centre): Mr. Speaker, there is no game of hide and seek here. Our proposal is on the table and it is very clear. I think that the hon. member has pointed out precisely why we should not get into commenting on individual items that come before the finance committee.

Ms. Copps: Like food.

Mr. Wilson (Etobicoke Centre): Yes, on food. He pointed out this morning, on food, that there was a group before the finance committee that said: "Don't tax basic groceries". Last week there were others who said: "Tax basic groceries".

Some Hon. Members: Who?

Mr. Wilson (Etobicoke Centre): All of them. Last week they said: "All food".

Some Hon. Members: Oh. oh!

An Hon. Member: Nobody said that.

Mr. Speaker: The hon. minister.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, the point that I want to make is that we will hear, in the course of the debate before the finance committee over the next few weeks, people commenting and making proposals on all sides of this.

It is not the responsibility of the government to comment day by day on these individual items. There will be a report by the finance committee and when that report comes out the government will respond to it. Until then, we will not be responding to individual statements that are made before the committee.

Mr. Turner (Vancouver Quadra): Mr. Speaker, we are putting questions to the Minister of Finance on very important issues before the House of Commons. We receive answers that are either ambiguous or contradictory to those he has made earlier to the House.

Since he won't answer on food, I want to put a question to the Prime Minister on one of his priorities, on education.

The Prime Minister, through the Minister of Finance, plans to put the first ever federal sales tax on newspapers. He plans to put the first ever federal tax on books, including university students' text books. Further, most students will not be eligible for the low income sales tax credit since it is only available to people who make more than $6,100 per year.

Will the Prime Minister explain why, for the first time in Canadian history, there will be a tax on education, a tax on learning, a tax on literacy, a tax on instruction in this country? I thought that education and literacy were among his top priorities.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, let me clarify one thing that the Leader of the Opposition has just said. Students will be eligible for a $275 sales tax credit. That is very clear.

Mr. Gray (Windsor West): All students?

Mr. Wilson (Etobicoke Centre): The Leader of the Opposition obviously has not read the document. It is $275.

The proposal that has been put before the House is a proposal with a very broad tax base. We have taken the decision as a government that we should not be in the position of making choices or influencing choices of individual consumers.

We have put forward that tax proposal with a very generous refundable sales tax credit so that low income people will not be disadvantaged by this. They will be protected by that credit.

We have also provided for exemptions for educational services, for libraries so that those entities will not be subject to additional tax as a result of the GST.

VIA RAIL

Mr. Maurice A. Dionne (Miramichi): Mr. Speaker, my question is for the Minister of Transport. The minister knows full well that his proposed action on VIA Rail flies not only in the face of reason but common sense and public opinion as well. It is patently obvious that the people of Canada want VIA Rail and they want it enhanced and improved.

Will the minister commit himself to give a reference to the Standing Committee on Transport and then use that committee report to modernize and enhance VIA Rail, to make it a modern transportation system, rather than trying to decimate it and wipe it off the face of the earth?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I will obviously not make that commitment. We have considered many proposals. We have looked at many possibilities for VIA Rail and as soon as it is possible to make the announcement we will do it. But we will not return to the report of the committee.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, we have in Ottawa today over 50 mayors and municipal leaders from across Canada. They will be faced with the responsibility of providing alternative means of transportation when VIA is cut.

My question is to the Minister of Transport. It will cost $1.4 billion in severance and unemployment benefits to cut VIA, and it will cost $7 billion and even more to provide additional airport and highway facilities.

These figures are from the review on VIA Rail that the minister commissioned for $4 million. Will the minister refer to the business plan, the report on VIA Rail, and his recommendations to the transport committee for an interval and in-depth analysis before any move is made on VIA Rail?

[*Translation*]

Mr. Benoît Bouchard (Roberval): Mr. Speaker, my colleague can think what he likes about the option we will choose for VIA Rail; it is not necessarily what we will do, but again, I do believe that we did consult. We recently met with the provincial ministers. We met with the Union of Municipalities. I met with the mayors of cities like Ottawa, Toronto, Montreal, etc. I think that we are now in the process of making a decision and, again, I do not intend to refer in any way to the Transport Commission or Committee.

[*English*]

PROPOSED GOODS AND SERVICES TAX

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Minister of Finance. Yesterday when I attempted to get the minister to clarify the government's position on the taxing of food, simply to recommit the government to its own promise on the subject, the minister said I was playing a parliamentary trick. It is rather bizarre for a cabinet minister to say that someone who wanted the government to be honest about its policy was committing a parliamentary trick.

In light of what he has just said in the House, that he had no intention to respond to statements that were made in the committee or within recent memory in the House of Commons, would he respond to a commitment he made in the election last year on this subject, which was unequivocal, in a public debate and discussion on this matter on television. When one member from my party indicated opposition to a food tax, the Minister of Finance then responded on behalf of the government: "So have we, so have we", in response specifically to the commitment that there would be no tax on food without exception.

I want to ask the minister today: does he stand by that commitment that he made to the people of Canada in the election campaign last fall?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, we have made that commitment in the document itself that is presented to the House of Commons.

Mr. Broadbent: Then, is the House correct in understanding that if the government proceeds with this new sales tax there will be no new sales tax in any shape or form on food in Canada, as the minister said last fall publicly? Will he give us a clear answer to that? Yes or no? That is the issue.

• (1430)

Mr. Michael Wilson (Etobicoke Centre): Mr. Speaker, that is responded to in the document itself. Let me just make sure that what the leader has just said is taken accurately. We have made a distinction in the document between basic groceries and processed prepared foods. Those prepared foods, as we have said, will be taxable. They will not be tax free as will basic groceries.

We will also have further discussions and consultations with the food industry to decide precisely how that is done, whether it is because of the establishment where they are purchased or whether it is because of the nature of the product itself. Those consultations still must take place.

[*Translation*]

Mr. Edward Broadbent: Mr. Speaker, yesterday the Minister also indicated that with the sales tax credit system, this sales tax would not impact negatively on seniors and other people. But would the Minister confirm today that in spite of this credit, 570,000 seniors will be hit harder by this tax?

[*English*]

Mr. Wilson (Etobicoke Centre): On the contrary, Mr. Speaker, I will not make that statement whatsoever because we have put into the sales tax system a number of very important elements that address themselves directly to the needs of senior citizens. The $275 per adult credit I think is available to some 80 per cent of senior citizens in full. In addition to that, the exemptions that have been put in the new system, including the exemption on medical devices, on basic groceries, on health care, on prescription drugs, on non-profit homemaker services, on meals on wheels, all those types of items, are specifically designed to address the needs of senior citizens. For that reason, I totally reject what the hon. member has just said.

Mr. Douglas Young (Gloucester): Mr. Speaker, just a few weeks ago war was declared on workers and consumers in Canada when the minister announced his goods and services tax.

The Minister of Finance says that workers in this country must accept lower wage settlements regardless of what is happening with the cost of living increases that will occur as a result of the GST or Canadians will face higher interest rates, higher inflation, higher unemployment.

The minister says we have to have "wage and price moderation." My question to the Prime Minister is very simple. Will he explain to the workers of Canada what "wage and price moderation" means?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I know that the Hon. Member will admit to the House today, as he has done on other occasions, that he believes that it is important for us to move from the existing federal sales tax to the multi-stage, value-added type of tax that we have, the goods and services tax. The key here is how we make that transition. We have set out very clearly in the technical paper how we believe that should be done to achieve the economic benefits that all the observers, all the economists say are there, provided we have a proper transition, a non-inflationary transition.

We believe that if business people and people in the labour sector will exercise moderation, then we will have that transition. We have said that if that is so, there will be a 2.25 per cent one time only increase in inflation, but because of the low-income tax credit and the middle-income tax reduction, the after tax impact of this is only 1 per cent. I do not believe that this is too much to ask of Canadians, both on the business side and on the labour side, to accommodate in terms of achieving those long-term benefits.

Mr. Young (Gloucester): Mr. Speaker, in the technical papers the department keeps referring to wage and price moderation. The question is very simple. Does the Prime Minister and his Minister of Finance really believe that workers across this country are just going to lie down and accept this vicious attack on their standard of living?

We are asking the Prime Minister what his response is going to be when Canadians say: "This is not fair, we cannot survive, our families cannot survive". The government is not being moderate but it is asking Canadians to be moderate. I am asking the Prime Minister what his response is going to be when the workers across this country say no to the goods and services tax.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I think one of the first places that we could start exercising moderation is with the language that we use in the House of Commons. The hon. member has referred to the goods and services tax as being a vicious attack. I have just set out the fact that the vicious attack that he talks about is an impact on people's income of 1 per cent. Surely that is not a vicious attack.

Let me go on to say that families earning less than $30,000 are going to be protected from the impact of inflation and that they will be better off after the change from the existing sales tax system to the new sales tax system. Surely that is a basis on which Canadians can show moderation.

[*Translation*]

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is for the Minister of Finance and I will try this time in French to obtain a clear, precise answer.

Can the Minister of Finance assure me that he intends to exclude food from the tax permanently or not?

[*English*]

Mr. Wilson (Etobicoke Centre): Mr. Speaker, we have set out very clearly and very concisely what the proposal is for sales tax reform. It is set out in a technical paper. There is an overview paper that covers the broad parameters of what we are proposing to do. We have set that out as government policy.

If I am going to be asked to comment on every specific element of that particular paper and say if we are absolutely committed to this and this and this, then there will be no work whatsoever for the finance committee to do. The hon. member would be the first to be up on his feet saying: "Why are you pre-empting the work the finance committee is about to do on sales tax reform".

[*Translation*]

Mr. Lapierre: Mr. Speaker, I wish to put a supplementary question. I think that you can tell the Finance Committee right away not to waste its time considering a tax on food, and I think that all the members of the Committee would be prepared to admit that. So I ask the Minister of Finance once again: Stop evading the issue. Will you tax food or not? Are you changing your mind and going back on your election promises? That is the question!

[*English*]

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I do not know how many times I have to answer the same question. I have answered that question to him, to the Leader of the New Democratic Party and to his leader. Surely the answer is clear. It has not deviated from one to the other.

Oral Questions

VIA RAIL

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is directed to the Minister of Transport. When the government found mayors and reeves across the country who supported the dismantling of Canada Post, it bought newspaper advertisements to herald the fact. I have in my hand a list of over 300 municipalities that have passed resolutions calling for full public hearings on any cuts to VIA Rail. Will the Minister of Transport listen to that request and ensure that there are full public hearings before any cuts are made?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I have as much respect for municipalities as my colleague could have. That is the reason why I met with the Canadian Federation of Municipalities last June for more than one hour as I did also with the mayors of major cities in Canada. I will do what I have to do.

I believe, however, that the time is coming to make a decision and I will not postpone the decision about VIA Rail. As soon as the decision is made, it will be given and I will not change the timing of the decision.

• (1440)

Mr. Angus: Mr. Speaker, the minister has had on his desk a request from the mayor of Saint John, New Brunswick, and the mayor of Mississauga which I communicated to him on September 15, for a meeting with a delegation that is here in Ottawa today. This delegation is from Atlantic Canada and from the Windsor–Quebec corridor. They would like a bit of time to talk with the minister about why it is wrong for the government to dismantle VIA Rail. Will the minister either meet with them privately, today or tomorrow, or will he join others from the transport committee in the Railway Committee Room at 3.30 p.m. to hear their appeal?

[*Translation*]

Mr. Benoît Bouchard (Roberval): Mr. Speaker, when I met with the Canadian Federation of Municipalities in June, the mayor of Saint John, New Brunswick, was there. When I met with the mayors of major cities, the mayor of Mississauga was there, I listened to them and I repeat: as soon as a decision on VIA Rail is made, there will be an announcement. Until then, I have no intention of holding further consultations.

[*English*]

FISHERIES

Mr. Peter L. McCreath (South Shore): My question is for the Minister of Fisheries and Oceans. Under the minister's direction, Canada has followed sound conservation practices with respect to the harvesting of fisheries resources on Georges Bank. Unfortunately, the groundfish that inhabit the waters over the bank do not know that it is to their advantage to stay on the Canadian side of the line. Far too many are taken by the devil-may-care. irresponsible attitude of the Americans on the other side.

Given that it is unacceptable for Nova Scotian fishing boats to be tied up while Americans rape the fishery in Georges Bank, what actions are being taken to see that these resources are properly protected?

Some Hon. Members: Hear, hear!

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I believe I heard the question.

The hon. member is right to be concerned about what is perhaps the most abundant groundfish resource in Canadian waters. It is divided by a boundary between Canada and the United States. The determination of The Hague line boundary some years ago brought great benefit to the Nova Scotia groundfish fishery in particular, and we insist that Canadian and American fishermen alike abide by our regulations and our enforcement measures.

It is a fact that the resource is much richer on our side of the line because we manage it well. We will continue to manage that resource well and we cannot tolerate over-fishing of the Georges Bank groundfish resource in any form it may take.

* * *

PHARMACEUTICAL INDUSTRY

Mr. Jim Peterson (Willowdale): Mr. Speaker, my question is for the right hon. Prime Minister. On June 19 of this year in Halifax, Nova Scotia, the Prime Minister was his usual very eloquent self.

Some Hon. Members: Hear, hear!

Mr. Peterson: He said:"Either we ride the crest of the technology wave into the 21st century or we exhaust ourselves in the rip-tide of history".

In light of the government's complicity in the take-over of Connaught by the government of France, will the Prime Minister admit to us now that his Halifax words were as hollow as sounding brass or a tinkling cymbal?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, the question of the merging of Connaught with another company is currently before Investment Canada. The hon. member knows that no decision has yet been made. Confidentiality provisions of the Investment Canada Act prohibit me or any minister from discussing that in this House, but I will tell the hon. member that the decision on that matter, as in all other matters, will be the same, that clear net benefit to Canada must be evident, and it will not be accepted unless it is evident.

Mr. Peterson: Mr. Speaker, the government is missing the point. Even Investment Canada has said that Connaught is the strategic flagship for Canada's biotech industry.

What France needs surely Canada needs even more, and that is the point.

[*Translation*]

Even with the Government's promises regarding the sale of Connaught—and we know what to expect from this Government when it comes to promises—the question is quite straightforward: The French Government needs Connaught to secure France's technological future. Why are you helping them to achieve that goal?

[*English*]

Mr. Hockin: Mr. Speaker, the question is wild and confused. We are not having a bid by the Government of France. We are having a bid by a company that is chartered in Europe that is going to merge with the Canadian company if it is approved by Investment Canada. That is what is before the House. For the hon. member to go from there into histrionics is really not called for at this time. Wait for the decision of Investment Canada.

However, I would advise the hon. member that Investment Canada not only will make sure there is clear, direct benefit for Canada on any decision of this sort, but in fact it will continue to encourage foreign investment

in Canada which has been running at about $3 billion a year from the United States, whereas Canadian investment in the United States has been running at $4 billion a year. Our investment around the world is strong. We believe in proper investment around the world including this, as long as there is net direct benefit to Canada.

* * *

CANADIAN ARMED FORCES

Mr. Joe McGuire (Egmont): Mr. Speaker, it has come to my attention that the 414 Electronic Warfare Squadron stationed at North Bay, Ontario, which, according to the Budget papers, was supposed to go to Ottawa will now remain in the best location for it, North Bay, Ontario. I am very happy that the people of North Bay will not have to go through the same ordeal that the people of Summerside are now going through. Now that the Minister of National Defence knows the cost of transferring the 413 Search and Rescue Squadron from Summerside to Greenwood, will he apply the same standard used at North Bay and leave the 413 squadron at its best and most economic location at CFB Summerside?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, the change in 414 was a change in the number of aircraft included in that squadron. That meant there was an additional cost for infrastructure which was not identified at the time of the Budget because of additional aircraft being placed in that squadron.

If we can get to the question to which I am sure the hon. member would appreciate an answer, the relocation of 413 to Greenwood will serve the maritime region, will continue to provide search and rescue services to the province of Prince Edward Island and will continue in the most cost-effective and operationally effective manner in the best area of Atlantic Canada, that of Greenwood, where it was located in 1968.

Mr. McGuire: Mr. Speaker, I believe the Minister knows that 80 per cent of the rescue operations which have taken place over the past year have taken place in the general area of CFB Summerside in the gulf, while 20 per cent of the rescue operations took place in the new location which is Greenwood, Nova Scotia. I cannot understand how he can say that Greenwood, Nova Scotia, is a better operational base than CFB Summerside.

Since the decision to close the base has not yet been reversed, I would like to direct my supplementary question to the Minister of Fisheries. In view of the fact that in six months' time, the tracker surveillance which does 600 of the 900 hours of surveillance presently being done in Atlantic Canada will be gone, would the Minister of Fisheries tell the fishermen of Atlantic Canada who will be doing the fishery surveillance in Atlantic Canada? What is the projected cost of this surveillance and where will the surveillance operation be based?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I should remind my hon. friend and colleagues that the decision to end the tracker service was a decision taken by my colleague, the Minister of National Defence, because of the obsolescence of the aircraft. I can assure the hon. member that a full replacement surveillance capability will be installed before the trackers are removed, and I will have further details on that within the next few weeks.

* * *

PROPOSED GOODS AND SERVICES TAX

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, my question is directed to the Minister of Finance. The Minister has said repeatedly that no Canadian family with an income of less than $30,000 a year would be worse off because of his new tax. Our figures from Statistics Canada indicate clearly that 300,000 two-parent families with children are going to end up paying more in taxes than they will get back from the credit.

• (1450)

How can the minister justify picking the pockets of poor Canadians with this very unfair tax?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there are a number of elements in that calculation. The hon. member has mentioned one. She has mentioned the goods and services tax credit. There is also the reduction in the middle-income tax rate. There is also the permanent increase in indexation related to the one-time only inflation impact that we expect from the tax. Those combined are what is behind the statement I made as to the impact on families earning less than $30,000.

Ms. Black: Mr. Speaker, none of that has anything to do with the sales tax. The only way that the government can come up with these figures is by cooking its own books.

Would the minister confirm today that 300,000 Canadian families with children will be worse off when this tax is instituted? That is the bottom line.

Mr. Wilson (Etobicoke Centre): No, Mr. Speaker, I will not say that. The hon. member referred to sales tax. The whole point I have been trying to make to this House is that it is not a sales tax, it is a sales tax system. It involves the goods and services tax, the goods and services tax credit, the reduction in the middle-income rate, the housing rebate, the payment that is made to small business to help offset the compliance costs plus the exemption on groceries. All of these are designed to provide very clear benefits that will improve the competitive position of the Canadian economy, that will allow us to get on with reducing the deficit, and also that will improve the fairness of the tax system, particularly to those low-income people to whom the hon. member has referred.

* * *

DAIRY INDUSTRY

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Agriculture. It concerns the crisis that faces the Canadian dairy industry today as a result of the yogurt and ice cream decision.

Last year the Minister of Agriculture promised dairy farmers across the country that they had nothing to fear from the free trade deal because he would be protecting the underpinning of marketing boards by transferring ice cream and yogurt and similar dairy products from the tariff list to the import control list.

We now know that this was not provided for in the free trade deal. The United States challenged it immediately and the challenge has been sustained.

I want to know why the government misled Canadian dairy farmers by saying that it would protect the marketing boards, when in fact it has not.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the hon. member is inadvertently, I am sure, misleading the House when he makes that suggestion. This has nothing to do whatsoever with the free trade agreement. It has everything to do with GATT.

As a matter of fact, Article 11 was enshrined in the free trade agreement to ensure that supply-managed systems would be protected now and in the future. This is a GATT ruling. It was a very narrow ruling based upon an interpretation of like product. The panel determined that yogurt and ice cream were not like products and therefore did not impede the maintenance of the supply-management system for raw milk.

We have taken exception to that particular ruling. It has to be ratified by the total council. We have met with the industry and have worked out a strategy wherein we intend to pursue this with all the vigour that we can. The Minister of International Trade and the Minister of Agriculture are seized with this issue in consultation with the dairy industry. I think that the dairy industry is fully satisfied with the actions that we have taken to date.

Mr. Foster: This is not a GATT problem. It is a problem created by the free trade agreement. The minister knows that.

The Minister of Agriculture promised Canadian dairy farmers that the underpinning of supply management would be protected by the transfer to the import control list. It has not worked. The Americans have challenged this and that challenge has been sustained.

When will the minister and the government live up to their commitment to Canadian dairy farmers to protect their supply-management system? He knows that the entire supply-management system is in jeopardy because of this decision.

Mr. Mazankowski: Mr. Speaker, of course we are concerned by the GATT panel decision, and it is a GATT panel decision, not a free trade decision. The hon. member should make it very clear. The hon. member is a fair-minded man. The underpinnings, as contained under Article 11 of the GATT are enshrined in the free trade agreement. Article 11 is in fact the underpinning of supply management and it is in place both in GATT and in the free trade agreement. We are going to defend it. We are going to defend it on behalf of the farmers of Canada, the dairy farmers, chicken farmers and all of those who are desirous of maintaining supply-management systems in this country.

OLD AGE SECURITY

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the right hon. Prime Minister. Last week members of the Prime Minister's own caucus stated quite clearly that universality is a thing of the past. In September of 1989, the National Council on Welfare stated:

> The clawback on child and elderly benefits is the most significant change in federal social policy in a generation because it marks the end of universality, a fundamental and long-standing principle of Canada's system of social benefits.

I ask the Prime Minister to explain the fairness in dismantling the old age security system and the family allowance system, thereby ending universality and replacing it with a tax grab on young families and senior citizens of a 9 per cent GST.

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, the hon. member's premise in the question is simply untrue. The old age security system has not been dismantled in Canada, nor are we undermining the basic principles that underscore the family allowance or the old age security systems.

There is a fundamental principle here though and it is that the government believes that when Canadians are being asked to do something about the federal deficit, those of us who can afford to do so should be asked to carry the highest share of the burden. Those people who are most in need of assistance should be the ones who should be receiving the most.

The position taken by the opposition is that the wealthy should be immune from being asked to carry these burdens. What they are saying is that the top 4 per cent, in the case of senior citizens, should receive all of the benefits instead of being asked to carry some of the burden in trying to ensure that Canada's social programs can be maintained. We believe they are wrong.

Mr. Dingwall: Mr. Speaker, I remind the Minister that his own appointed National Council on Welfare said on page 7 that a social program that delivers benefits to everyone and then collects them back from some recipients is not universality.

That is very clear from your own people you appointed to the welfare council. I say to the minister that you are discriminating against one-earner families—

Mr. Speaker: I would ask the hon. member to put the questions through the Chair and to keep in mind the time.

Mr. Dingwall: My question to the minister is this: Why are you discriminating against one-earner families? You have a one-earner family—

Mr. Speaker: I am sorry. The Hon. Member for Esquimalt—Juan de Fuca has the floor.

* * *

FISHERIES

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, I have a question for the Minister of Fisheries. It concerns a recent free trade dispute panel hearing on a GATT decision that was opposed to Canadian fish landings in the province of British Columbia.

The minister promised the House that every effort would be made by the Government of Canada to protect the west coast fisheries against U.S. attempts to stop landings in Canada. The *Inside U.S. Trade Today* statement says that the Canadian Government has lost its first appeal to the free trade panel.

I want the minister to stand up and tell the fisheries people in British Columbia that no jobs will be lost and that the ministry is prepared to end the free trade agreement if this deals goes through.

• (1500)

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, the hon. member is dreaming in Technicolor if he thinks he will get my positive response to that question.

In fact, we have put in place new landing regulations in order to enhance our ability to conserve and properly manage our west coast salmon stock. A free trade panel was established at the request of the United States to review these measures. That panel has not yet reported and, until they do, no further discussion or comment is appropriate by a member of this government.

The Late Dan McKenzie

Mr. Barrett: Mr. Speaker, is the minister suggesting that *Inside U.S. Trade Today* and spokespersons out of the U.S. Department of Trade are incorrect in their interpretation that the panel has already met and the Canadian position has been totally rejected? Are you saying that you have not had a report to that effect in your office?

Mr. Speaker: Perhaps the hon. minister heard the question and could respond.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the answer to that is yes, it is incorrect.

* * *

THE LATE DAN MCKENZIE

Mr. Speaker: It is my unhappy duty to advise the House that in view of the recent death of one of our very recent colleagues, there will be some appropriate statements given at this time.

Mr. Bob Horner (Mississauga West): Mr. Speaker, I rise today as we all pay tribute to the memory of a man who has been a symbol of dedicated service and continuing commitment to the constituents of the federal riding of Winnipeg—Assiniboine.

The people of Winnipeg—Assiniboine will miss Dan McKenzie greatly. It didn't matter which party was popular at election time, Dan always came through with flying colours because of his proven record of speaking out for the grass roots right across Canada.

The loss is hardest however for his wife Marion and children, Karen and John. We offer them our most sincere condolences.

Dan will be remembered as a member of Parliament who anyone could call on any time they needed help in dealing with government matters. He would respond to their requests in a straightforward manner. There was no hedging or dodging the issues with Dan McKenzie.

He often endangered his own political future in the pursuit of satisfying his constituents. Dan never wavered when he spoke in the House of Commons. He never gave a thought to the political consequences that might result from his frank and honest statements on actions of government. He could always be counted on in the House of Commons to add to the debate and often bring a message that reflected the views of ordinary blue collar Canadians in coffee shops, taxicabs and pubs.

Parliament was greatly enriched and as a result Canada served better because of the contributions Dan made in the House of Commons. Parliament needs more outspoken men and women prepared to stand up for the concerns of ordinary people.

In my relatively short time as a member of Parliament, my life has been enriched by the contributions of Dan McKenzie. I am proud to count Dan as a friend and colleague. I am sure Dan will always be remembered as one of the few outspoken members.

All of these qualities were clearly evident to the people of Winnipeg—Assiniboine when they elected him first in 1972 and sent him back to this House with enthusiasm at each subsequent election.

All members of Parliament express their condolences to his constituents who will miss the tradition he had established. More particularly, we offer our sympathy to his wife Marion and to John and Karen. May he rest in peace.

Mr. Bill Domm (Peterborough): Mr. Speaker, I too rise today in the House of Commons to pay tribute to Mr. Dan McKenzie who passed away suddenly on August 15, 1989.

Dan was not only a colleague; he was also a friend. When I was first elected in 1979, Dan was already a veteran on the Hill having been elected as a member of Parliament first in 1972.

I remember fondly his willingness to help out us new kids on the block, as he used to call us, in any way he could. As the years went on and as Dan and I worked on a number of issues together, it became very obvious to me, and I am sure other members of this House, that Dan McKenzie was no ordinary member of Parliament.

He was a true spokesman for his constituents of Winnipeg—Assiniboine, often risking his own political future to ensure that the views of his riding were well represented in this House. To say that Dan was an outspoken Member of Parliament is indeed an understatement. But when he spoke out, it was on issues of importance to his constituents. At the same time Dan always held a great respect for this House, recognizing the honour and privilege it is to be able to stand here and serve this country.

A letter which appeared recently in a local newspaper really sums up what I feel best describes Dan McKenzie, and I quote:

> —when all was said and done he was nothing short of a hero. If I could write his epitaph it would say, "he stood tall on principle when it was unfashionable to do so—Courage is easier to pronounce than it is to display—

To his wife Marion and two children, Karen and John, I would like to offer my sincere condolences and I would like to express on behalf of all colleagues of this House of Commons what I hope is their wish for happiness for the remaining family. Thank you very much.

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I would like to pay tribute on behalf of colleagues in the House and particularly the Manitoba Conservative caucus members, the caucus in which Dan served for many years and a caucus he chaired for some period of time.

Dan McKenzie was elected as the Member of Parliament for Winnipeg—Assiniboine in 1972, a year when a number of us from that province came to this House. Prior to that Dan had been an employee with Manitoba Telephone Systems. As well, he had been a member of the Winnipeg city council. Dan was elected in 1972 and held that seat continuously until 1988 when he chose not to offer his name for election.

As has been mentioned, Dan held many firm views. Those views were often in the issues which dominated the agenda of this House through those years. Those firm views were often very controversial, and I think for the record it is also important to note that he often was in a minority, both within our caucus and also within the House, on a number of those issues. But as has also been mentioned, he held those views not only firmly but consistently.

We can all take a look at our careers here and at that for which we will possibly be remembered. Dan will be remembered for two things, I believe; first of all, service to his constituents. I think he taught a lot of us the value of service to constituents, and he did that not only with pride but tenaciously. I recall as Minister of Health if there was an issue relating to pensions or family allowance, Dan would be at my doorstep immediately looking after the interests of his constituents. It was I think in that service in which his political success also lay.

Additionally, I think Dan will be remembered for his loyalty to Canada's armed services and particularly the membership he held in the Royal Canadian Legion. He spent many happy hours with his colleagues reminiscing not only of that war service but also the country as they saw it develop.

So may I, on behalf of all of us, extend our condolences to his widow Marion and to his children.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, I too rise as my party's regional whip for northern and western Canada, from where the deceased member, Mr. Dan McKenzie came, so that I may also convey my colleagues' and my family's profound sympathy and condolence to his family, to his wife, to his children and to his many friends for his service to the constituency and for his service to our country.

• (1510)

Death is the one chapter in the human journey that erases barriers and differences among people, even when we have differed. I am honoured to convey my colleagues' deepest sympathy to his family for the great loss.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, both as a Member of Parliament from Winnipeg and as a member of the New Democratic Party, I would like to join with my colleagues in remembering the life and work of Dan McKenzie.

Those of you who knew him, and you are many, will know that Dan was a very partisan guy, and I have no illusions that he belonged to my fan club or I to his. We often disagreed. I can imagine, if it is in the nature of things for people to know what is said after them, what Dan might be thinking about the fact that I am even on my feet.

I think, however, it is appropriate to remember the things that unite Members of Parliament in this institution, even though we disagree, and sometimes quite vociferously, with each other. I can remember many occasions on which I would receive mail from Winnipeg in which people would write: "You and Dan McKenzie are the only two sticking up for us," and these kinds of things. What did it refer to? Well, it referred to Dan's concern about veterans and pensioners. It is in that respect that I think so many Members of Parliament have come together and have worked together.

Despite all the differences, I think we are called upon to respect each other as members of Parliament and members of this institution and to take cognizance, as we are here today, when one of our colleagues has died.

On behalf of my colleagues, I extend our condolences to Dan's family and recognize the work which his constituents recognized time and time again in re-electing him.

Mr. Speaker: I ask hon. members to rise for one minute of silence.

[*Whereupon the House stood in silence*].

GOVERNMENT ORDERS

[*English*]

DEPARTMENT OF FORESTRY

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mulroney that Bill C-29, an act to establish the Department of Forestry, to amend the Forestry Development and Research Act and to make related amendments to other acts, be read the second time and referred to a legislative committee.

Mr. Speaker: When the House rose at one o'clock p.m., the hon. member for Skeena had completed his speech. The question and comment period following the hon. member's speech is now available to members, otherwise the Chair is prepared to recognize hon. members for debate. The hon. minister on questions and comment.

Mr. Oberle: Mr. Speaker, I will not want to prolong the debate, having had a chance yesterday to say my piece, but I would be remiss if I did not thank the hon. member for Skeena for the incredible service that he has given to my work. As he and others know, us authors sometimes have difficulties getting our works recognized. The hon. member has quoted liberally and extensively from my publication entitled *The Green Ghetto* and I will send him another copy with my autograph. Incidentally, it is used widely throughout the country for fund-raising purposes. If the hon. member wants to use it for that purpose, he has my permission.

What I do not appreciate is having my record and that of my party mixed up with that of the previous Liberal administration. The hon. member was quite wrong when he said that nothing happened after *The Green Ghetto* was published and after the Progressive Conservative government came into being in 1984.

A lot happened, as he knows, in our province. The forestry resource development agreement was entered into which spent three times as much money as we ever spent before; $300 million. Quite an impressive record. One hundred and sixty-four million trees were planted in British Columbia; 137,000 hectares were planted; 871,000 hectares put in a management regime were surveyed. That is an incredible success story. We committed $31 million to a research facility in UBC, quite an impressive record.

Not only that, but the Prime Minister, immediately after the cabinet was appointed in 1984, appointed a minister of state for forestry who was immediately made responsible for filling the promise that was made previously, to organize and co-ordinate the activities of the federal government in forestry and to set in motion what we did in 1960 under the Right Hon. John George Diefenbaker. You have a full federal department of forestry.

If the NDP had their way what they would be doing, I suppose, would be shutting down all the industry. There would not even be enough paper left to print their protest placards. They would have to carve it all in stone plates again. All I want to tell the hon. member is that it has been a long time since Moses, and a lot has happened.

I do want, in a positive way, to appreciate the positive attitude that he brought to the debate. I know I can rely on his support as we begin to go on to even bigger and better things.

Mr. Fulton: The minister sounds like he is quite keen on Bill C-29. I guess he did not listen too carefully, but he is right on one point. I was interested in listening to the Liberals in the House today talking about where they really stand on this issue because during the 1984 federal election their current leader in fact came to Prince George, British Columbia, to a community dependent on forestry, and said that the Liberals were against, and I guess would continue to be against, a full department of forests. So I will have to listen with interest to how they try to set that part of that record straight.

As to the minister's remarks that an NDP government would shut the industry all down and so on, I know the minister knows better than that. That is basically what has happened to his shop, under the present Prime Minister. He has not been given the levels of funding that there should be at the federal level. As a matter of fact his budget has been cut by $28 million since last year. Of course there is no money there for the next phase of FRDA. As they say it is going to have to come from western diversification.

As you will recall from this morning, Mr. Speaker, I pointed out rather well the shell game that the minister is trying to get into with his friend Dave Parker from B.C. although I think Dave Parker has the minister cornered now. The provinces are very clear. They are prepared to enter a $1 billion, that is a one thousand million dollar, five-year FRDA. The premier is on the record and the Minister of Forests is on the record. It would be irresponsible of the minister not to make sure that $500 million comes forward from the federal level so that we see that kind of a five-year FRDA go ahead.

I do not object to British Columbia putting more money in. The minister has quite correctly time and again in B.C. pointed out that with the replacement stumpage regime for the 15 per cent unnecessary countervail brought in by the Conservative government on behalf of the United States, many hundreds of millions have been collected. Stumpage in many areas such as the minister's own riding has gone from around $1 a cunit to anywhere from $7 to $20 a cunit that is being paid. So stumpage has gone up dramatically and Victoria has a great deal of money.

When the minister talks about the department and talks about where this bill is going to take us, I think we should keep in mind that there are not enough foresters and there is not enough technical equipment with the minister's department to complete an adequate inventory of what our forests really are.

The minister should keep a few things in mind. The same amount of forest in recent years has been lost to fire, insects and disease as has been harvested; something Canadians should be reminded of time again. Half of the harvested forest in Canada is not regenerating properly. There you have another half. We are already down to almost a quarter of the quality forest lands that we have.

• (1520)

The backlog of not satisfactorily restocked land is 25 million hectares. That is probably a very conservative estimate of what it is in this country now. Because of the GATT demand in every region of the country it will exceed supply by 1995, only five years from now. For every dollar generated by the forest industry in tax revenue, only five cents is returned. Of course, that is the combined return of the federal and provincial governments. That is not much of a return in terms of any other industry in the country.

Let us look at some of the other things the minister touched on in his question to me. In relation to inventories, the last inventory of Canada's forests was published in 1986 and prior to that in 1981. I hope the minister is not suggesting that we will not have another inventory nationally published until 1991.

Mr. Oberle: Next year.

Mr. Fulton: The minister is on the record now. He says it will be published next year, a complete inventory. That will be the tabling of the inventory.

I would point out to the minister that the problem with the current inventory information system being used by the federal and provincial governments is that some of the physical count information on which the inventory is based is 40 years old and the average on which the entire inventory is based is now almost 15 years old. We are dealing with terribly antiquated systems, terribly antiquated base information.

Even the latest information includes some startling facts. Fifty-five million hectares of forest land in Canada is not yet inventoried. We have never had a professional forester look at it. There is a total of 453 million hectares of forest land in the country. Over 500 million hectares of forest land in Canada was idle as recently as 1976 because it had just been burned over, and 200,000 hectares were gobbled up by pests.

We know that the Auditor General reminded the government what needed to be done but it looks like so far, and I would like to stress this point, the minister has been losing the battles in Cabinet. One thing I like to do from this side of the House is, through debate and through the minister, remind those reckless colleagues in cabinet, and in particular, the reckless Prime Minister.

I am sure if a reporter stopped the Prime Minister outside of the House today and asked him what is the largest industry in Canada, he would get it wrong. He would suspect that it was something other than forestry. He might think it was Gucci shoe sheds, or he might think it was agriculture—not a bad mistake to make but terribly erroneous.

He certainly has not recognized his responsibility fiscally in terms of the support he should be giving to the full ministry of forests in terms of budget, staff, technical equipment and funding for universities and inventories. It simply has not been done.

Let me give another example. I know you are interested in factual examples so that the people of Canada know just how badly this Conservative government is handling forest issues. Let me use my own province as an example. Between 1979 and 1987 the annual cut volumes increased in B.C. by 20 per cent while employment dropped by 25 per cent. The minister did not have much to say about that while he was speaking yesterday. Since 1950, in B.C. volume cut has increased 400 per cent and employment over all, over almost 40 years, by 22 per cent.

In 1950 B.C. had 2.64 jobs for every thousand cubic metres harvested. In 1986 the same thousand cubic metres produced only nine-tenths of one job. By contrast, California creates 5.2 jobs per thousand cubic metres harvested and Sweden generates 2.7 jobs per thousand cubic metres of wood harvested.

I am sure my friend from New Brunswick or my friend from Quebec, who sit on the forestry committee, would very much like to see this legislation amended so that we could get some kind of tie between areas that are harvested and the rate of reforestation, the kind of mixed ecological, biological reseeding and tending that should go on in those areas. We would like to see it tied to value added. I certainly trust that the government side will assist in properly amending this legislation which really needs to be amended.

The Acting Speaker (Mr. Paproski): There is no other member I would love to listen to more, if there was more time and we would be able to give him more time.

Mr. J. W. Bud Bird (Fredericton—York Sunbury): Mr. Speaker, it is a pleasure to speak this afternoon on Bill C-29, legislation to establish a new department of forestry in Canada.

I would like to just take a moment to make a point that the hon. member for Restigouche, the Liberal critic for forestry, commented on this morning when he criticized this bill as merely establishing the department of forestry. I would like to point out that this bill, which re-establishes the department of forestry in 1989, follows on the heels of the first department of forestry which was established by a conservative government back in 1960. A New Brunswicker by the name of the Hon. Hugh John Fleming was the first Minister of Forestry at that time.

I would like to make the point as well that in 1966 the department of forestry was diminished into a department of forestry and rural development and then in 1969 it was further diminished into the department of fisheries and forestry. Then in 1971 the Liberal government placed it under the jurisdiction of the department of the environment where it resided until 1984 when this government reappointed a minister of state for forestry and proceeded in the directions that we now are establishing with this bill.

I think that history reveals that it has been conservative governments, both the conservative government in 1960 and this conservative government in 1984 and 1989, that have acted to recognize, through a full department of forestry and a full minister of forestry, the very great importance of this resource and all it represents to Canada; a total of $40 billion in annual shipments, 800,000 jobs, capital expenditures of $6.4 billion, and all that flows from those facts and factors.

I would also like to take a moment to comment on some of the words of the hon. member for Skeena in his remarks. I think he also should be congratulated for recognizing the contribution of *The Green Ghetto* which our present Minister of Forestry authored several years ago and about which the hon. member for Skeena spoke with some disparaging inference. I would just like to say that for all of the wonderful factual words the member for Skeena delivers to this House, few, if any, have ever led to anything concrete, positive and creative, nothing to be compared at all to the creation of *The Green Ghetto* which has led the hon. Mr. Oberle through his years in this House to the point where he is now about to become the first full-fledged Minister of Forestry for Canada in almost three decades.

We have heard how vital the forestry sector is to Canada. I would like to speak about what a giant of an industry it is in Atlantic Canada. In New Brunswick the forest sector provides 38,000 jobs, that is one out of every seven jobs in the province. The forest industry has been an integral part of New Brunswick's way of life since the late 18th century. Today the economic importance of the forest is immense to our province.

The value of all forest products shipped within and outside New Brunswick total $1.9 billion per year, representing 40 per cent of all our manufacturing shipments and 47 per cent of the province's total exports. It accounts for 7.4 per cent of our gross domestic product. Close to half of New Brunswick's extensive forests belong to the provincial Crown and are harvested by leasing to forest companies.

Again, the hon. member for Skeena made a disparaging remark about the New Brunswick legislation and the New Brunswick approach to forestry. Again, he has missed the facts of the situation because in the management legislation pertaining to the Crown forests in New Brunswick, the New Brunswick Crown Lands and Forest Act, the structure, the system and the approach is established as the best example toward sustained forestry and sustainable development in all of Canada and has been acclaimed by experts throughout Canada and North America in those respects.

• (1530)

I would suggest to him that he go to New Brunswick and check his facts. He will find an approach to sustainable development that is well out in front of many of the experiences that obviously he has had. I would urge him to read the Dr. Baskerville paper on sustainable development in New Brunswick forests which I have sent to him and which he obviously has not read, or at least has not remembered. I think he will agree, when he has apprised himself of those facts in that paper and all the facts on the ground in New Brunswick, that the New Brunswick Crown Lands Act is a model of government legislation toward sustainable development in forestry in this country.

The federal government in recognition of the contribution which New Brunswick makes to forests and forestry has just recently completed the new federal co-operation agreement for forestry, an agreement that will commit $91 million between the federal and provincial governments to forestry over the next five years in New Brunswick with a federal contribution of $50 million. That new agreement will have a special emphasis on the 36,000 private woodlots which are such an integral and important part of forestry in New Brunswick.

In that respect, Mr. Speaker, again in recognition of the deep commitment which our present Minister of Forestry has to forests throughout Canada, to the private woodlots of Canada, I would like to emphasize the action which he has taken this spring and summer in New Brunswick where, in anticipation of the delays and extensive changes required through the new co-operation agreement structure of federal-provincial financing which has been a fact of life in this year, 1989, he made a $2.5 million commitment to the private woodlot producers in New Brunswick. He assured them—literally putting his neck beyond the ground that most ministers would be prepared to cover—that he would provide to them the kind of ministerial assurance that would permit them to bank their activities for almost a whole year's work in reforestation and silviculture in anticipation of the agreement which now is about to be signed. For that I would like, on behalf of all New Brunswickers, to extend sincere appreciation to the minister for the commitment he has made and for the commitment he has delivered.

I would now like to go on to Nova Scotia where the forest sector is also an economic mainspring. In Nova Scotia, the value of all forest shipments approach $825 million per year. That constitutes 17 per cent of all manufacturing shipments in Nova Scotia, and represents 2.8 per cent of the Gross Domestic Product of that province. It constitutes 24 per cent of the total provincial exports, and a total number of 17,000 Nova Scotians are employed in the forest industry.

One of the big features of forestry in Nova Scotia is that it is in many respects a family affair with about 76 per cent of the forests in Nova Scotia being privately owned. One of those energetic parts of the entire forest industry in Nova Scotia is the Christmas tree industry. Nova Scotia's Christmas tree industry mainly uses balsam fir. About a third is cut by big operators with 500 to 2,500 acres in holdings, another third by medium-sized operators with lots averaging 100 to 400 acres and the remainder from small woodlots of less than 100 acres.

The people of the industry have that old Nova Scotia virtue of self-reliance. The industry benefits from research and technical assistance on disease and insect control. But the men and women in the industry in Nova Scotia are not looking for grants or hand-outs. In fact, they have conscientiously and publicly refused anything that smacks of a subsidy.

There are about 2,500 Christmas tree growers in Nova Scotia, Mr. Speaker, and most are woodlot operators who do other kinds of growing. About 95 per cent of the crop is exported to the United States, representing a $30 million economic activity annually, providing 500 full-time jobs and up to 3,000 part-time jobs.

Every year these Nova Scotians cut and ship 1,750,000 Christmas trees. They make and ship upwards to 300,000 wreaths, and about 50,000, 25 pound bails of brush. The Christmas tree business and the Christmas tree forest industry is a big thing to Nova Scotia. The federal government has recognized the value of forestry in Nova Scotia. Over the past five years it has contributed a total of $57.7 million toward forest management and renewal with a new agreement now in the latter stages of negotiation.

In Prince Edward Island, Canada's smallest province, a lot of woodland during the 1920s and 1930s was cleared for farming. The stands that were left were allowed to decline and have become overgrown with white spruce, poplar and white birch. These are species with limited commercial value. They are now overly mature and susceptible to disease and insects.

These stands are now being replaced by stands of more commercially useful species such as black spruce, white pine and eastern larch. The plan is to manage these new stands on a sustainable basis.

What is happening to the old stands that have been cleared away? That wood is being used in an interesting biomass conversion project. It is, in fact, chipped and fuels Charlottetown's district heating system which heats much of the city's downtown core. This was the first such system in the entire country and is an example of the creativity of islanders.

The forestry sector is important to the island. It employs 2 per cent of the labour force and generates $1.4 million in exports.

In Newfoundland, the forest industry provides 10,000 jobs. It represents 6 per cent of the total labour force. One in eighteen workers depend on forestry. Exports alone come to $372 million, or 25 per cent of all exports from the province.

Again, federal-provincial co-operation have been the watchwords. Since fiscal year 1986-87, the federal government has contributed $24.6 million toward forest management and renewal under the Canada-Newfoundland Forest Resource Development Agreement.

This year, the Atlantic Canada Opportunities Agency signed a $53 million agreement with Newfoundland to benefit Labrador; $6 million of which involves the development of the forest industry in the Goose Bay region around the upper and lower Churchill Falls.

Forestry Canada is co-operating in that initiative. It is working with the provincial Forestry Department in Newfoundland to accomplish some specific things: first, to carry out a forest inventory of the region; second, to establish a forest management program for the region; and, lastly, to perform an environmental sensitivity analysis which will allow us to cut in a way that is reconcilable with the principles of sustainable development.

This region of Labrador, where there is almost no cutting now, is a region that will help Canada meet the anticipated jump in world demand for our forest products. The program in Labrador is an example of federal-provincial co-operation.

[*Translation*]

But Mr. Speaker, there is a lot more. This is just a sample of what sustainable development will be like. We can see how Canadians are facing up to the trade challenges of the next century as they prepare to increase their productivity while preserving the environment.

There is an important message in that program. Before making major cuts, we must analyse any relevant data to minimize the impact of operations on the environment and to ensure optimum economic spin-offs for the regions.

That approach will meet the future needs of Canadians. Through federal–provincial co–operation, we will decide on the best course to follow before taking action.

[*English*]

I have tried to show how important the forest sector is to Atlantic Canada. What we do in Atlantic Canada is a mirror, a model for the rest of the country. In a region where most economic activity flows from nature's gifts, every initiative that protects nature will be enthusiastically embraced.

Others have talked about the need to ensure environmentally sustainable economic development. There is not an Atlantic Canadian for whom that notion does not have special meaning. How can we extend that model and pursue that concept in a national manner across Canada? How can we bring ten provinces and two territories and the federal government to some semblance of a common approach? How can we motivate industry to participate in a consistent manner with all jurisdictions? How can we exert a parallel influence on private industrial land and smaller woodlots? How can we establish sustained development in all of Canada's forests?

• (1540)

The federal government recognizes that most forests are provincial responsibilities. It realizes that each jurisdiction will probably have its own unique options to consider. But there can be an integrated approach and a common commitment to the principles of sustainable development in our forests.

For example, the Council of Provincial Resource Ministers is certainly one avenue for this approach. In particular, I believe the new federal department of forestry should have a binding role to play, to be the glue in the process, much in the same manner as it has consistently provided research and development assistance to the provinces in such areas as forest biology, fire control, and insecticide and herbicides treatment. The Canadian Forest Service can build on the New Brunswick model and the Labrador model to help the rest of the country in specific ways; first, by co–ordinating technological practices with regard to such things as forest inventories and geographic information systems. It is a fact that consistent forest data is difficult to obtain for all 10 provinces in any integrated manner.

The federal department of forestry can help to develop common methods for analyzing management problems. The federal department of forestry can write model specifications on both environmental and developmental goals for adoption by each province within their respective jurisdictions leading to sustainable development.

The Government of Canada could help set an example with more sustained development of its own lands. This might necessarily require extensive consolidation for forest management responsibilities among such departments as Forestry, Environment, Indian Affairs, Energy, Mines and Resources, and the Department of National Defence.

As well, industrial development and international marketing functions for forest products might well be integrated eventually within the new department of forestry so that the concepts of finished product and added value would be in context and harmony with the state and the management of the resource itself.

Sustained development demands that we marry the end uses to the available resources. Such a transfer of these responsibilities from the present Department of Industry, Science and Technology would provide the forestry minister with a vital and consistent linkage to the forest industry and would extend his opportunities for influencing industrial participation in the process of sustained management of our forests right across Canada.

The present administration of federal—provincial forestry agreements should be intensified under the forestry minister, preferably on longer–term schedules to match the nature of the forest resource than is the case for the present five–year cycles. His influence in terms of a national program for sustained development can be made to reach Canada's private woodlot owners who are among the primary beneficiaries of the funding agreement.

In these and other ways, Mr. Speaker, the federal minister of forestry can play an important guiding role for sustained development in Canada's forests. It seems a special opportunity that, at almost the same moment in history when the concepts of sustained development have come to the fore of public consciousness about our forests, the federal government has given rebirth to a national department of forestry.

Our job now is to pass this legislation to create this department of forestry, and then to embark upon the road that the standing committee on forestry has already anticipated when, on May 31, we reached agreement in principle for an approach to a list of the kinds of examinations to help to develop on a national basis in Canada, hopefully to assist the minister of forestry and the staff of the department of forestry, in building, flowering and flourishing their future role on behalf of this most important of Canada's resources.

I would like to read two or three of the subject areas that we propose to address to the new department of forestry in terms of promoting public awareness of and support for the significance of Canada's forest resources in all aspects: economical, environmental, ecological and recreational. They are co-operating with provinces and industry to develop the highest standards of intensive forest management on a multiple use and sustainable development basis for all forest lands in Canada; co-operating with the provinces and industry to develop the highest potential of manufacturing technology and added-value utilization for Canada's forest resources; maintaining and expanding the research and development activities of the Canadian Forestry Service, by directing intensive management of federal forest lands on a multiple-use sustainable-development basis; and co-ordination and co-operation with all of the other government departments—Environment, Parks Canada for wildlife, migratory birds, pesticides, herbicides, and so on.

They also include co-ordinating with Agriculture with respect to herbicides and pesticides, with Indian and Northern Affairs, with Fisheries and Oceans, with National Defence, with International Trade, with Industry, Science and Technology, with Energy, Mines and Resources, with the Atlantic Canada Opportunities Agency and the Western Diversification Fund. In all of these manners the new department of forestry can help to lead the way for the enhancement and the sustainabililty for for the long, long-term future of Canada's forests.

We should now be ready in all areas of Canada to do something about sustainable development in our forests. With Bill C-29, when we get it passed and passed quickly, when we get this new department alive and in action, we will take a big step forward. Now let us get on with the job.

Mr. Bélair: Mr. Speaker, I would like to congratulate the member from Fredericton on his speech. There are a number of issues that the member forgot to address—I do not know if it was intentional or not—namely, the decrease of 11.9 per cent budget dollars for this year's forestry department.

Would the member not agree that if we are going to have a strong forestry department in Canada that at least we should have the budget to support it?

Mr. Bird: Mr. Speaker, I think that in due course we will have the budget to support it. I have some figures here that I would like to use to respond to the very legitimate question.

As I said in my remarks, we, on the Standing Committee on Forestry and Fisheries of which the hon. member is a member, discussed the fact that this legislation was the beginning. It was to give rebirth to the structure of the department of forestry. It is really a very short piece of legislation and does not have the encompassing purposes which we will some day see the department of forestry co-ordinating in the near term and perhaps in due course fully conducting on behalf of the Government of Canada.

The Main Estimates, however, for 1989-90 do not take into account the resources which have been negotiated as part of the process in establishing the new department of forestry. In addition to those figures I am told that 35 person years and $1.7 million have been transferred from Agriculture Canada. As well, the new Department will receive an additional 30 person years and $2.3 million in operating funds this year with an additional 30 to 45 person years in 1990. Forestry Canada this year has received $2.5 million in additional funding for research and development. This will increase by another $5 million next year. Forestry Canada has also received 37 person years for this year to help wind down the recently expired forestry agreements.

So there have been some significant numbers and person years not contained in the Main Estimates that are at work in the transition from Forestry Canada to the new department of forestry at this time. As I say, in terms of developing and broadening the influence, the scope and the impact of this department over future years in the subject areas that we have discussed on the Standing Committee on Forestry and Fisheries I see that it will grow in significant stature, influence and in the impact it will have on Canada's forestry sector and in the creation of our best example of sustainable development.

Mr. Gardiner: Mr. Speaker, I listened with a great deal of interest to the comments of the member from Fredericton, who is also a member of the forestry committee, as well as to some of the earlier comments made by the member from Skeena, who I think has brought forward a very enlightened view about forestry from a biological perspective. His concerns that he certainly had both as a forestry critic and currently as our party's environment critic are well known.

I have two questions for the member. The first one concerns his wrap-up comments. He suggested that this Bill needs some work and that we are to do some studying for the flowering role that we anticipate from the department. In light of the fact that it has taken some five years for this government to finally introduce this legislation based on a commitment made during the 1984 election campaign, I am wondering if this government's definition of a flowering role is as immediate as the definition prior to that. Will it take five years for us to see that?

• (1550)

Second, I am interested in knowing the member's comments in terms of the representations that have been made to the committee and earlier when this legislation was introduced to the hon. government House Leader inquiring about the opportunity for the forest committee to have a chance to travel the country to hear Canadians' views on this legislation. The Canadian Institute of Forestry, which I believe is monitoring the debate today, has called for that. I wonder if the member from Fredericton would join with us in supporting that call from the CIF.

Mr. Bird: Mr. Speaker, with regard to the first question, this bill merely establishes the department of forestry. While I use the word "merely" I do so advisedly because it is in reality a very profound commitment, a very profound creation of a full-fledged federal government department. That must be accomplished before we can start to address the purposes that it will serve in the future. As I said earlier, Liberal governments over a period of almost 15 years dismantled the federal department of forestry which was established in 1960. This government over the past five years has delivered on its commitment. It has delivered on its commitment to create a department of forestry.

That is the starting point we must have in order to pursue the purposes which the hon. member from Prince George has proposed and referred to subsequently, that being the opportunity for the standing committee to travel the country to hear from the Canadian Institute of Forestry and from the forestry sector broadly, to hear all who are interested in forestry and the environment, about the kinds of purposes which the federal department of forestry can ultimately fulfil. Yes, I would support such a mission by the Standing Committee on Forestry and Fisheries. I have already indicated I would support it.

In fact, I did inquire of the government, as we had committed to do, about the prospects of having this bill referred to the Standing Committee on Forestry and Fisheries. I have been advised that the government would prefer to see it dealt with in the normal legislative committee format that it has quickly offered to ensure that every member of the standing committee who wishes to participate on that legislative committee will be invited to do so. So I think we have delivered on the spirit of the undertakings which we unanimously agreed to in the Standing Committee on Forestry and Fisheries.

I would urge the House and particularly the members on the standing committee, to support the referral of this bill to a legislative committee and to support the passage of the bill as quickly as possible. Then let us take this new department of forestry and go on the road across Canada as a mission to determine how we can best use that department to influence sustainable development in forestry for the good of all Canadians.

The Acting Speaker (Mr. Paproski): There is a minute and a half left.

Mr. McCreath: Mr. Speaker, I would like to compliment the hon. member from Fredericton on his most comprehensive address. I am not at all surprised that he would provide a comprehensive address in view of the fact that he has extensive experience in the field as a former minister of natural resources in New Brunswick.

I particularly appreciate his comments with respect to the Christmas tree industry in Nova Scotia, a $30–million industry which sees approximately 1.75 million trees exported annually from our province. I would like to advise all members that two–thirds of those trees come from my South Shore riding.

Some of the things that we are looking forward to in our forest products industries on the South Shore are the possibilities with respect to marketing and, indeed, with respect to research. I wonder if the hon. member might just expand on his remarks with respect to what he sees as the role of this new department regarding marketing and research.

Mr. Bird: Mr. Speaker, presently there is a very extensive overlap among many federal government departments with respect to forestry. I mentioned them in my remarks. With respect to marketing and research, and I presume research in marketing and research in commercial activities, a great deal of that presently is in the terms of reference of the Department of Industry, Science and Technology and the Department of International Trade. Certainly, the Canadian Forestry Services had a great deal to do as well with the preparation of the stock and the silvicultural preparation of the trees for marketing. I think there is an integration of activity required there. I believe that those are the kinds of things that our standing committee and others can help to influence favourably upon the future of the new department of forestry once we have it established and under way.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): Before giving the floor to the Hon. Member for Algoma (Mr. Foster), it is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Parkdale—High Park (Mr. Witer)—External Affairs—Crisis in China—Mandate of United Nations—Evacuation plans for Canadians in China; the Hon. Member for Thunder Bay—Atikokan (Mr. Angus)—Transportation—VIA Rail services—Government position; the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall)—Health—Thalidomide—Task Force report—Compensation for victims—Request for early announcement.

GOVERNMENT ORDERS

[*English*]

DEPARTMENT OF FORESTRY

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mulroney that Bill C–29, an act to establish the Department of Forestry, to amend the Forestry Development and Research Act and to make related amendments to other acts, be read the second time and referred to a legislative committee.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am especially pleased to have an opportunity to speak on Bill C–29, the government's bill to establish a department of forestry. I say to the minister, even though he is five years late that we support the initiative, albeit five years down the pipe. We think that forestry is the most important industry in the country, that a department of forestry, if it is adequately funded and provided for with the minister having control of all the factors relating to forestry, can have a tremendous impetus for good in this country. It is our number one industry. It is bigger than the petroleum industry. It is bigger than the automobile industry. It employs more people.

More important, Mr. Speaker, it is the key industry in many of the northern areas of this country where there is no chance, or very little chance, of establishing an automobile plant such as we have in southern Ontario. So it is an industry that is really on the move.

Through the 1970s and 1980s, when the Liberal government was in office, we put in place massive programs to upgrade. I think of my own constituency of Algoma where we provided some $25 million along with the province of Ontario to upgrade the Eddy Forest plant in Espanola to bring it into line with modern environmental demands. It increased efficiency and improved the productivity of that plant.

We provided assistance under the Department of Regional and Industrial Expansion to put in place the most productive sawmill at Nairn Centre, part of the Eddy industry, which produces today over 200 million board–feet of lumber, an amount unheard of in eastern Canada only 25 years or so ago. It certainly has the largest productive capacity in eastern Canada.

Those programs were good. The several hundred million dollars which the former government put in place spawned investment by the private sector of $1.6 billion to modernize and update that industry. There is no question about the importance of this industry. What a tremendous contribution it makes in terms of jobs and technological development. The beauty is that it is a renewable resource. It is not like a mine where you dig the mineral out of the ground once and it is gone. If we properly husband the forest resources of our country; if we provide the research back-up, if we provide the tools for reforestation and research, it will continue to be the most important industry in our country, not only in jobs but export, balance of payments and so on.

• (1600)

This initiative of Bill C-29 can be very important and very productive. Unfortunately, if you look at this bill, look at the rhetoric of the Minister of Forestry, then look at the budget, and look at what the government has done in the past four years and how long it has taken them to do it, you cannot be sure of that. Some people in the industry say: "Look, when I am dealing with a trade problem, I want to deal with the Minister for International Trade. When I am dealing with a tax problem, I want to deal with the Minister of Finance". So, although the bill is there, the department will be there, it will only be effective if the minister has clout, if the minister has the power in the cabinet, if the minister has the influence of the Minister of Finance to ensure that things happen in this industry and if there is that over-all power to co-ordinate the activities that are necessary for the forest industry.

Let us just look at a few of these items. It is very unreassuring. I, along with the Member for Cochrane—Superior, and four or five other members of our caucus from northern Ontario, were members of a task force last winter which travelled across northern Ontario and talked to the forest industry. One segment of that industry, the softwood lumber industry, is in peril of being destroyed. It is a very important industry with tremendous resources in this country. We are very productive, we could compete with the world. Certainly, we can compete with the United States. It is in terrible jeopardy because it was a pawn in the free trade negotiations.

In December 1985, the government gave to the United States, as part of the negotiation of the free trade deal, an export tax that was not indexed to the value of the Canadian dollar. Therefore, that industry's exports to the United States have been reduced from 34 per cent of the American market to 26 per cent. Many plants in northern Ontario have shut down. Many are on short shift. Many having given up selling softwood lumber to the United States. The government has implemented other programs for transportation which have been very harmful to the industry. The industry is under at least a 30 to 35 per cent disadvantage from what it was before the export tax went into place.

We recommended to the minister that the export tax be renegotiated immediately so that that industry could continue to prosper, or if the government in the United States refuses to negotiate that they unilaterally rescind the tax and let the chips fall where they may. The industry is being wiped out in any event. If the Americans were to countervail, it probably would not be any worse than the existing situation which makes it almost impossible for northern Ontario mills to operate.

I was delighted and pleased because the Member for Cochrane—Superior drew to my attention a press clipping from the *Ottawa Citizen* of July 27 in which the Minister of Forestry said that the government was reviewing the 15 per cent export tax because it had just been pointed out to him that there were over 100 layoffs in Renfrew County alone as a result of this. Speaking about the Americans, the minister said that we will present them with a proposition to test the ground before we send them a termination notice. I am delighted that at least the minister has admitted that there is a big, serious problem with the export tax. It has caused layoffs in northern Ontario, and people have been laid off. It is causing serious problems right across the country. What we want to see is the minister either complete that negotiation or give the termination notice.

This is where we get back to the whole question of clout. The minister says this, and the minister is an honourable man. Even though he is not in the House this afternoon, he is still an honourable man and I am sure he means it. I suspect that if the minister goes to his friend, the Prime Minister, or to the Minister of International Trade and tells them that he is going to unilaterally terminate the export tax agreement, they will politely tell him to buzz off. I do not think the minister has the

clout to make that kind of decision. I hope he has, because I think that is the right move. Otherwise we are just knuckling under to the United States and our industry is being wiped out.

You can imagine what a reduction of 8 per cent of the United States market does, because that is a very vast market in the United States. It seems to me that we are big losers. I hope that the minister has the kind of clout that he needs to have a successful Department of Forestry and that he will move to remove that export tax because it is crippling northern Ontario.

The second area where I see that the whole question of strength and prestige of the minister is important is in the forestry agreements. For the past five years, we have had a forestry agreement in the province of Ontario, $150 million, shared by the two levels of government, designed to carry out the necessary reforestation and the necessary research to provide for sustainable development in the production and reforestation of our province.

Regardless of how gloriously the minister talks about these agreements, he has not been able to get the money to reinstate them. That is literally a tragedy. It is not just a tragedy for five years, or ten, or fifteen years. It is a tragedy into the future because it is important that those forestry agreements be maintained.

If we look at the arrangements, we cannot be confident that we are going to have a department and a minister with the necessary clout. For those forestry agreements, the funding comes down through the Department of Regional Industrial Expansion from the ACOA agreement and the Western Diversification Agreement and it just does not seem that the minister is in control. If he were, then those forestry agreements and the funding would be coming directly from his department and not through the Department of Regional Industrial Expansion.

In Ontario we have the FEDNOR agreement and the funding there comes from the Department of Regional Industrial Expansion. We are told that the assistant deputy minister for that department is not even located in Ontario. He is located in Montreal in the province of Quebec.

Yet we have, in Sault Ste. Marie, the Great Lakes Forest Research Laboratory, one of the largest institutions in the country for research and the implementation of the Forestry Agreement is carried out from that laboratory. Surely we want the co-ordination for those agreements to be coming from the Minister of Forestry and not coming down through the Department of Regional Industrial Expansion.

If we look at the minister's funding, last year when the government brought in its spending estimates in the budget, it was indicated that the government would be spending in the 1988-89 fiscal year $9.9 billion, the largest budget in the history of Canada as far as the federal budget of $142.9 billion is concerned. There was an increase there of $9.9 billion dollars across the country. Yet, if we look at the Department of Forestry we see a decrease of $28 million.

• (1610)

That does not give anyone confidence that the creation of a Department of Forestry is going to be very powerful. If you remove the funding, regardless of all the names and all the rhetoric from the minister, but do not actually provide additional funding, or do not even give the minister the power to establish the forestry agreements, which, after all, are the agreements which really touch the forests and result in trees being planted, and new hybrid breeds being developed that touch on the whole forest industry and if they are all controlled by the minister of Regional Industrial Expansion, the minister responsible for ACOA, or the minister responsible for Western Diversification, it does not sound as if the minister has much ability to co-ordinate the activities of the department.

We are not only talking about a reduction in the forestry agreements. We are not only talking about a reduction in the budget of the Department of Forestry. We are talking about a reduction in the number of person years, a reduction of 47 person years. It does not sound like a department that is going anywhere if it is being reduced in the number of person years. Regardless of how fancy are the names we give it as a new Department of Forestry, which we are all pleased to see, we want to see the cash. You cannot really be effective unless you have the funds to carry out the responsibility.

Forestry has gone down by some 11.9 per cent in its budget. At the same time, other resource related departments, for example, Energy, Mines and Resources, has gone up by 22.9, almost double. It has gone up by twice as much as the Department of Forestry has gone down.

We are pleased to see a Department of Forestry created. We would certainly like to see a strong department with a minister with clout, to not only do the things that need to be done for this industry, but to co-ordinate what is going on already. Otherwise, we will be going over to the Minister of Regional Industrial Expansion to find out what he is planning to do with the department and with these forestry agreements.

What we are concerned about is the government's attitude with regard to ERDA agreements—economic and regional development agreements—and that we are gradually going to be seeing a winnowing down. We will have a minister of departmental status and all this, but he will essentially be a little secretariat effectively running six labs across the country. That is not what we want. We want a minister who controls forestry agreements, controls the labs, has influence in cabinet, has influence on decisions with regard to finance, with regard to matters relating to export trade and with regard to manpower and research. There is simply no evidence that this is what we are going to get with the creation of this department.

First of all, it has taken five years to create it and it is not created yet. All the decisions with regard to export tax, forestry agreements, budget, and manpower, militate against this. We support the bill. We hope that it will be beneficial, but we want to see action. We want to see the government put its money where its mouth is. This is a key industry for us. It provides opportunities for our country in many different ways and it should be supported more than it has been by this government for the last four years.

* * *

BUSINESS OF THE HOUSE

The Acting Speaker (Mr. Paproski): Before I recognize members for questions and comments, I believe the Hon. President of the Privy Council has a point of order.

Mr. Lewis: Mr. Speaker, I rise to designate formally as opposition days, or allotted days, Thursday, September 28, and Monday, October 2. It is my understanding that there is a motion which will probably run the two days and it has been designated in that manner for the convenience of the opposition.

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

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): Agreed and so ordered.

Mr. Lewis: I appreciate the technicality, Mr. Speaker. So that there is no misunderstanding, that is a government prerogative, I believe, to designate it, and while I am sure my hon. colleagues would agree with me, I do not want to find they disagree the next time.

Mr. Gauthier: Before we leave that point, Mr. Speaker, the minister also alluded to the debate of one motion that could take two days. That is a prerogative of the opposition to decide, and we will probably give notice to the House, as is required by the rules, tomorrow by five o'clock as to what the motion will be and whether it will take two days to debate. There is a lot of interest in it, Mr. Speaker.

GOVERNMENT ORDERS

[*English*]

DEPARTMENT OF FORESTRY

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mulroney that Bill C-29, an act to establish the Department of Forestry, to amend the Forestry Development and Research Act and to make related amendments to other acts, be read the second time and referred to a legislative committee.

The Acting Speaker (Mr. Paproski): On questions and comments, the Hon. Member for Cariboo—Chilcotin.

Mr. Worthy: Mr. Speaker, my colleague from Algoma had some serious things to say and I think he delivered them in a serious manner. I have to take exception to some of his comments, but I would like to mention a couple of comments right off the bat. He talked about the government attitude. I was in the forest industry for many years and I can tell you that the government attitude over the last four years has been a one thousand per cent improvement over what it was formerly. There have been many things done in co-operation with industry and with the provinces.

Some of his colleagues this morning, when talking about the forestry bill, said that the first thing they want to do is bring inspectors into the provinces as policemen to enforce what they think should be done with industry and the provinces. It is exactly that kind of action which created such a problem in prior years with the provinces and with the industry.

A typical answer—and I am distressed by it—is that they seem to want to dictate from Ottawa what the solutions are and then they want to take all the money they can and throw it up against the wall and see if it will stick. Their concrete suggestions so far are to throw more money at the bill. Have they not been listening to the people in Canada and what they have been saying? They are saying: "Please, government, don't spend more money unnecessarily."

There is nothing wrong with trying to achieve excellence, even in government. A small, trim, efficient forestry department can do far more than an inefficient, large government bureaucracy. They should be taking their energies, their expertise, and leading this nation in the forest industry. They can do that. The dollars should primarily come from industry and from the provinces where most of the benefit goes. What it requires is a co-operative government and leadership.

The point that I have to—

The Acting Speaker (Mr. Paproski): This is questions and comments.

Mr. Worthy: I have a question about free trade. He said in December 1985,that this government, as part of its free trade negotiations, gave away the memorandum of understanding. That is absolutely and totally incorrect.

• (1620)

I was one of the forestry executives who heard about the collaboration between industry, provincial governments, and the federal government. The industry spent millions of dollars lobbying Ottawa. It recognized the threat to the forest industry with the countervail. In fact, when it was finally resolved, the Conservative government went to the industry and said: "What shall we do? These are the options." It was industry that said: "We have to accept." It was our unions that said: "Yes, we have to accept." And it was our provincial governments that said: "Yes, we have to accept that. The deal that we can get there is better than the other options."

I would like to know why, in spite of the facts, you misrepresent so terribly the actual situations of the free trade deal and the memorandum of understanding.

Mr. Foster: I would be delighted to respond to the hon. member for Cariboo—Chilcotin. I had a telex from the vice-president of the Canadian Forest Industries Council in December, 1986—I am sorry I said 1985, it was actually in 1986—in which they totally denounce the cave-in of the Government of Canada on the export tax. The industry is variously represented to have spent between $4 million and $10 million fighting the United States countervail threat, as they did in 1982. They are absolutely opposed—and I do not know who he talked to, unless it was some of his Tory friends—to the cave-in which the government did on that agreement. Clearly the industry was opposed to the government knuckling under. If the United States had imposed the countervail duty, it had every opportunity at the International Trade Court or under the GATT to oppose it and would have done so successfully.

Now we are left with an industry which is in terrible straits, at least in northern Ontario. It is my understanding that the level of the stumpage charge is extremely heavy for that industry to carry in B.C. In my opinion, the government knuckled under because the Prime Minister was so hell-bent on getting a free trade deal that he would agree to anything with the Americans.

The member talks about funding, throwing money at a problem. What all of the provinces are asking and all the industry is asking the federal government to do is to continue the federal-provincial forestry agreements that they have had for the past five years. The federal government is unilaterally wiping them out so that the kind of reforestation that needs to take place, the kind of research that needs to take place, is simply not going to occur. I think that that is a tragedy. It is a tragedy for areas like mine in northern Ontario. It is a tragedy, I am sure, for many areas in B.C. and I do not see that as interference.

I have met with federal and provincial people. The management teams that have been put together on those forestry agreements imply no unreasonable interference. It is a co-operative operation in any event. The federal government generally has the laboratory and research capacity more in its bailiwick, or at least in Ontario it has a great deal. They have combined in places like Sault Ste. Marie at the Great Lakes Forest Research Laboratory. They have the MNR labs there now.

It is a case of the federal government abandoning those forestry agreements, cutting the provinces adrift, and short-changing the whole industry now, but more important, short-changing the industry for that research in the future because research is a long horizon. We have to do it now if we want the results at the end of the term, whether it is five years or 10 years.

I completely reject the member's comments in that regard from my experience. We want to see this bill passed, but we want to see the wherewithal dedicated whether it is from External Affairs, going to the proper minister, the Minister of Forestry.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. On debate, the hon. member for Okanagan—Shuswap.

Mr. MacWilliam: I have a question for the Hon. Member for Algoma. He chastises the government for not previously establishing a forestry industry, something which I am in agreement with, but also indicates his strong support and the support of his colleagues for beefing up a separate Department of Forestry, putting some teeth into it, giving it some clout. I want to remind the hon. member that on August 1, 1984, in Prince George, his leader, the Hon. Member for Vancouver Quadra, in fact, outrightly rejected the concept of a separate forest ministry. In large bold print in the Prince George *Citizen* it stated: "Turner rejects forestry ministry". I would like to ask the member, in view of the past position of his Party and his leader—

The Acting Speaker (Mr. Paproski): I would like to bring to the attention of the hon. member that he is now on debate. There are no more questions or comments. I will allow this short question. The hon. member's time has expired as far as questions and comments are concerned and I was giving the floor on debate to the hon. member. I will allow a very fast question to the hon. member, but that will be off your time.

Mr. MacWilliam: Just a quick question, Mr. Speaker. It was my understanding I was on a question rather than on debate.

I would like to ask the hon. member, in light of this information, why he and his colleagues decided to do this flip-flop on the issue. I am sure they do not want to be charged as being guilty of political opportunism.

Mr. Foster: As I said, I think it is important just what commitment the government has. The government has no commitment to the industry, as it has shown with the export tax of 15 per cent, which is decimating the industry. It is withdrawing the funding for the modernization and upgrading of industry, and that is what industry in my part of the country is saying is happening. If it is cutting the budget, obviously that is not a very good arrangement.

What we want to see is a Department of Forestry that has a minister who has the power and the political influence in the cabinet to put in place the renewal of those agreements, who has the power to prevent the sell-out of the softwood industry, has the influence in the Department of Regional Industrial Expansion to have programs to modernize and upgrade the industry.

We see, as I mentioned when I spoke, that back in the 1970s and 1980s the government had massive programs to modernize and upgrade the pulp and paper industry to put it in a competitive position, to meet the environmental concerns, to be innovative, and so on. That is the key thing. If we are setting up this department, and we agree with it, then it is important that the department and the minister involved have these powers and this kind of influence in the Government. If they do not, then of course it is irrelevant.

The Acting Speaker (Mr. Paproski): The hon. member for Okanagan—Shuswap on debate.

• (1630)

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, I am going to rise to support the general principle of the bill although I believe, as do my colleagues, that there needs to be a number of amendments made. It does have a few inconsistencies, a few weaknesses, a few warts.

We will be making a number of these amendments and this will be outlined at a later stage of debate by my colleague, the member for Prince George.

I would like to say that over the years the responsibility for forests has been shuffled in and out of, I think, nine different departments to where it currently resides in the Department of Agriculture. That seems to be a rather strange place to tuck a responsibility that has as its mandate the largest industry right across this country. I think as a result of this there has been a lack of continuity in direction.

Back in 1984 the Prime Minister had proposed some strong support for forestry but it took an awful long time for this government to finally come to its senses to realize the critical situation that our major industry in Canada was facing. To understand and address some of those priorities we needed to develop a separate ministry. I think it is something that is long overdue. We support the spirit of the legislation and we believe that we do need a strengthened department of forestry that can address some of the serious concerns affecting this industry.

I believe that we need strong leadership in a number of areas, such as regional forest resource development, national forestry research in pollution control, in wildlife conservation and in parks and recreation. I do believe that by strengthening and developing a separate ministry for forests, a separate department of forests that we can go a long way toward realizing those goals.

However, what does concern me somewhat is in order to do that you also need to strengthen the level of funding for the department. What concerns me is that we have seen a department created without the financial clout necessary to do the job.

As a matter of fact, in 1989-90 we will be seeing funds available for regional forestry programs actually reduced by the sum of about $24 million. It appears those will now be funnelled not directly into the Forestry Resource Development Agreements, the FRDAs, but through the Western Diversification Programs making, I believe by extension of the argument, even less money available for those extremely important reforestation programs, not only in western Canada, but throughout this country.

I would like to turn to the FRDA agreements for a moment and talk about some of their impacts generally, specifically referring to British Columbia and my area of B.C. which is in the Okanagan—Shuswap.

Historically, the FRDA agreements were negotiated with the provinces because of the recognition that our forests across Canada needed on-going management in order to sustain and to increase our forest resources. Those agreements were started about five years ago and a number of them were signed with provinces across Canada. Six of them have now expired, and many of those have not been renewed.

In British Columbia we still do have an active FRDA program but it does expire in March of 1990. The B.C. government and the forestry industry is looking for a significant increase in funding to these programs which is currently at a level of about $300 million.

If you go back to the Pearse report of a few years back, Dr. Peter Pearse, Resource Economist from the University of British Columbia, in fact stressed that the need for funding for forest renewal was much, much greater than that. There is significant reason for us not to be cutting back on the funding for reforestation programs but to be extending it. Now we see that funding source being depleted. A $24-million cut for the western provinces and funnelled through western diversification. Now it seems that the minister of forestry is going to have to go cap in hand to the minister responsible for regional economic development to try to obtain funding for those very important agreements. We do not believe that to be correct. We believe that those agreements need the full level of funding that has presently been committed in order to sustain the amount of work that has already gone on in restocking those NSR lands, those not sufficiently restocked forest lands. To cut back on those agreements at this point is going to endanger the work that has in fact already been done.

With a strengthened department of forests which this legislation suggests, we have a lot of opportunity to strengthen those kinds of reforestation programs. What concerns us is that although we have created this department, the commitment to the FRDA programs for reforestation does not seem to be there.

Let us consider what is at stake if these programs are cut back or if they are cancelled. British Columbia provides over half of Canada's softwood lumber. We have about $13 billion per year in shipments of forest products from the province. That amounts to about 247,000 direct and indirect jobs, supporting 126 communities. Those are 1988 figures. That amounts to about $530 million of tax revenue to Ottawa. We in British Columbia are already experiencing, and have for some time, a fall down in our annual allowable cut because we are simply running out of mature timber to harvest.

We have seen the closure of mills in my constituency and in a number of other areas throughout the province. Fletcher Challenge in Lumby and in a number of other areas in the province has closed its operations. Why? The reason it says is: "Gosh guys, we just do not have enough good timber available to us. We are running out of timber."

The reforestation programs through the FRDA agreements have the mandate to replenish those timber supplies so that we can lessen the fall down in the future. If we cut back on those FRDA agreements at this point, that program is jeopardized, future jobs are jeopardized in British Columbia and, in fact, right across Canada.

In addition, when we experience a significant fall down in our annual allowable cut, whether it be in the Okanagan or anywhere in the province, the Government of Canada experiences a significant decline in its taxation revenues. We should consider that in terms of setting economic priorities.

The importance of FRDAs to British Columbia, of course, is essentially for the protection and preservation of our forest resources not now, but for future generations, so that in 10, 20, 50 or 80 years' time we still have trees to cut, we still have jobs for people to go to. That will be supported by tree planting now, by weeding and thinning programs, by forestry research and by using integrated methods of resource management that are available through those forest resource development agreements.

I would like to turn to the concept of forest management. This is something I think that this strengthened department of forestry could well look at in terms of strengthening its mandate and some of its priorities, at least in British Columbia. There is the control and growth of alder and aspen trees in regenerating areas that have been disturbed by harvesting, and the planting of trees that are valuable as commercial species, such as Douglas fir and western hemlock. These are elements of the reforestation program that are so vital through the FRDA agreements.

• (1640)

If those agreements are cut back or perhaps, God forbid, cancelled, the work that has gone on over the past five years will be wasted.

I took the opportunity to see a number of FRDA programs in my area in the Okanagan. We toured with a number of forestry and local political officials and saw the kind of work that has been done in our area respecting the provincial–federal FRDA agreement. I must say that I think all of us were duly impressed with the kind of regeneration taking place in those NSR lands.

That program for regeneration has to be nurtured over the next 15 to 20 years to ensure that those seedlings are able to grow into a mature forest. If we were to cancel those programs now the overgrowth of alder and deciduous plants would simply wipe out many of the seedlings that are now healthy and viable plants growing into our future forest products.

It is very critical that we continue to nurture these FRDA programs through the injection of federal funds and through the injection of provincial funds to ensure that the groundwork that we have laid over the past five years does not simply vanish. What a false economy that would be: $300 million dollars of federal investment would be simply wasted if those programs are jeopardized.

In British Columbia, before the FRDA agreement with B.C. was signed around 1985, there were approximately 738,000 hectares of land that qualified as NSR land. This land was lying fallow. It was not sufficiently restocked and had been logged over.

I fly over much of the province many times during the course of the year. I am continually amazed as I fly back and forth over our province of British Columbia, a province that is responsible for half the annual harvest in this country, at the amount of land that lies clear cut, eroding and bare, the top soil being washed away.

I am not sure how accurate it is— I would assume that it would be well within range—but somebody estimated that the NSR lands currently in our province amount to a 200 mile strip that is 50 miles wide. That is a strip 50 miles wide extending from Vancouver all the way past the city of Penticton in the Okanagan. That is the significant damage done to our resource in the past years

without a proper restocking program. I submit that these FRDA programs are chipping away at that. We have in the past five years reduced that backlog by some 185,000 hectares. We are making gains and slowly recovering those NSR lands, putting them into production for future harvesting programs. But it is going to take time. It is going to take a long-term financial commitment from this government, one that I am afraid this government no longer sees as being a major priority.

I submit, once again, that we are developing a strengthened department of forestry with this legislation. Along with that we should be making the kinds of financial commitments we must make to ensure the future of our forests in B.C. and in Canada to ensure the future of our industry and to ensure the future of jobs for Canadians.

In terms of British Columbians, the FRDA programs have allowed 500 permanent jobs and 15,000 short-term jobs to be created. Our sustainable harvest, since the development of those programs, has increased by some 600,000 cubic meters each year.

We have had an increase in our Gross Domestic Product of about $56 million a year, and also an increased habitat for wildlife. They are valuable programs. We need the continued funding. Let us not give up on them now.

I want to talk for a moment specifically about the FRDA as it applies to the Okanagan-Shuswap. It is part of the interior British Columbia that my constituency is located in, and the Okanagan-Shuswap is part of the Kamloops forest district. We have a regional total of about 6.7 million hectares, an area that is larger than Nova Scotia.

The Shuswap-Okanagan Forestry Association has been calling for some time now for a commitment, both federally and provincially, to replenish the fall down in the timber supplies through tackling the NSR lands and developing the appropriate reforestation and silviculture programs that we now see through the current FRDA agreements.

During that FRDA tour that I was talking about in regard to my area, there were a number of sites that we looked at. We went to about five through the Lumby, Enderby and Vernon areas. Those five sites indicate the kinds of problems that the Shuswap-Okanagan Forestry Association had been and still is talking about, including the need to replenish our forest stocks. We saw the impact of the FRDA agreements in terms of the kind of work that is being done. We saw the results of the research, the silviculture programs, the weeding and thinning programs.

Those programs are successfully reducing that backlog of NSR lands in our area. People are proud of that. People want to see it continued. The Shuswap-Okanagan Forestry Association wants to see it continued. The forestry companies throughout the Okanagan want to see it continued. They want to practise responsible forest management. We need that financial commitment and we need to maintain it over the next decade, over the next 20 or 30 years to ensure that those goals are met.

I think a strengthened department of forestry can be mandated to look at environmental initiatives that are required in forest management: wildlife conservation, the development of parks and recreation areas. I think that a strengthened department of forestry is going to need to provide real leadership in this area and in areas of habitat conservation, and particularly in areas of resource management conflicts.

Out in British Columbia we have had ongoing problems for some time, largely because of the actions of our provincial government over the past 20-odd years, and partially as a result of the failure of both the federal and provincial governments at resolving some of our native land settlement claims. Areas like the Carmanah, the Stein, and the Stikine,. We all know that South Moresby, the Spatsizi Plateau, and the Kutzimateen are all areas, that, if not actively under contention in terms of resource-used conflict, will be in the future.

It is important that a strengthened ministry of forestry be mandated to work co-operatively with the provincial governments at trying to overcome some of these problem areas. I think it is clearly evident, given the importance of the forestry industry to the Canadian economy, that the prime mandate of a federal department of forestry should be to provide leadership in the areas that are impacted by our forest resource so that we can maintain this resource, so that we can protect it and replenish it for future generations.

• (1650)

I support this bill. I must admit that it has weaknesses and my colleague from Prince George—Bulkley Valley will be making a number of very wise and judicious amendments at a later time that will, hopefully, strengthen many of those weaknesses. The bill does not satisfy all the concerns.

It needs substantial amendment but it is a start, and based upon our long-term commitment as New Democrats for the development of a strong forestry ministry at the federal level, we are going to be supporting this bill.

Mr. McCreath: Mr. Speaker, I would like to compliment the hon. member for Okanagan—Shuswap for his support of this bill and I would assume that he would join with me in commending and complimenting the Minister of State for Forestry for the leadership and initiative that he has shown in bringing this bill before the House.

I do want to raise a question and perhaps I misunderstood but I do have a great deal of interest in forestry because included within my own South Shore constituency is Queen's County, Nova Scotia, which, as you may know, is known as the forestry capital of Canada.

I want to raise the question of FRDAs. We are very pleased in Atlantic Canada with the success that we have recently achieved with the signing of two very significant Forest Resource Development Agreements, one a $45 million agreement announced last Friday by the minister responsible for the Atlantic Canada Opportunities Agency, and a $91 million agreement announced for the province of New Brunswick.

It has been our experience in Atlantic Canada that these FRDAs have worked extremely well. One of the reasons they have worked well is that the provinces themselves identify the priorities within resource development areas. It is clear that in Atlantic Canada forestry is recognized as a major area for economic development and it is a major priority with our provincial governments but it is also a priority that has, and I think quite properly, been recognized by this government.

There was some discussion about the length of time taken to reach the agreements, but I think it is important to note that right at the beginning of the process the minister made it clear that there would be new forest resource development agreements. Again, I commend him. That was very helpful to us, unlike, I might say, in 1982 under the previous government when the last agreements expired and there was no indication as to whether there would be new agreements. As a result, people were laid off and we lost some very valuable people in our industry. That has not happened this time because the minister made it clear right from the beginning that there would be agreements. I think the process works extremely well and I would like to compliment the government on it.

Perhaps I misunderstood my friend opposite but I assume that he also supports this very valuable initiative in the way the federal and provincial governments work together. I assume again that he is joining with me in commending the minister of forestry for his initiative in bringing forward this excellent bill.

Mr. MacWilliam: Mr. Speaker, I think my hon. colleague had mentioned that Nova Scotia had received about $91 million in terms of the renewed FRDA and I am pleased for Nova Scotia that it did receive that commitment. I want to point out that Nova Scotia is, in fact, smaller in terms of land mass than the Kamloops forest district.

If you break the regional or provincial FRDA for B.C. down, which is $300 million, the appropriated amount for the Kamloops area, the interior, was only $30 million. If we are looking at $30 million for an area that is in fact larger than what the member opposite is indicating for Nova Scotia, which has $91 million. I would submit that in the interest of regional equity the member would support my suggestion that the FRDA for British Columbia be at least tripled.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Champagne (Champlain): Mr. Speaker, I listened attentively to my New Democratic colleague and I am still surprised to hear him say that the Minister has no power regarding the ERDA agreements. I must remind him that clause 9 provides that "The Minister may, with the approval of the Governor in Council, enter into an agreement or arrangement with any person, body or government respecting any matter related to the powers, duties and functions of the Minister." I think that is extremely clear and shows how much responsibility the Forestry Minister will have for such agreements.

Furthermore, my colleague from the Maritimes raised a very important point when he mentioned that agreements had been renewed, one with Nova Scotia and another with New Brunswick. What we have to look at, I think—and my colleague should give the Minister responsible, the Forestry Minister, credit—what we have to look at is what was there before and what is there now. Take New Brunswick for example. New Brunswick had a five-year, $77-million agreement which was extended for $91 million. So when my colleague from the New Democratic Party wonders and is concerned about the Government's real intention to continue the federal-provincial agreements, I think we have an excellent argument to show how conscientiously the Forestry Minister seeks to renew these agreements and to continue to work with the provinces to further develop the forestry sector. The Forestry Minister has already said several times that talks with his provincial counterparts were going on. You know that the agreements with British Columbia expire in March 1990.

So some things can be explained, there are agreements, negotiations are going on now, and I am convinced that the Forestry Minister... And I am convinced, if my colleague from the New Democratic Party lets me finish, that the Minister will negotiate as best he can in the interest of British Columbia, in the interest of his province and in the national interest. Since our colleague raises those questions, I would like him to answer the question for us because the Canada—British Columbia development agreement has yielded excellent results. He mentioned them himself, for which I thank him, and I just ask my colleague for the good of forestry in Canada to support the Bill, to support the Minister's negotiations and to let British Columbia, like any other Canadian province, benefit from these agreements and share the benefits with its people.

[*English*]

Mr. MacWilliam: Just to clarify, Mr. Speaker, the constituency is Okanagan—Shuswap. I thank the member opposite for his remarks, but I suggest to the member that you can conclude all the agreements you want to, but if the funding is not there, the agreements are not worth very much.

With the funding being allocated through western diversification, I submit that the minister is going to have to go cap in hand to the minister responsible for the appropriation of funding through western diversification to ask if the money is available. That money which supposedly is earmarked for forestry will also be in competition with moneys for the tourism industry subsidiary developments so we are competing for the same dollars.

In addition to that, there is $24 million less going into western diversification, it is my understanding, for this fiscal year than there was before. I submit to you that if the pie is getting smaller and it is divided into more pieces nobody will get more or a larger piece of the pie. I do not know what that means in terms of the forestry resource agreements out west. That is what we are concerned about. We are very concerned that it means less money to go around in terms of those reforestation initiatives, and that spells trouble for the industry in British Columbia.

The Acting Speaker (Mr. Paproski): Comments are now terminated. I had said Kamloops—Shuswap and the former House Leader of the New Democratic Party, I know, appreciated that name very much. I regret that the hon. member's riding does not have the name Kamloops—Shuswap. It is Okanagan—Shuswap.

[*Translation*]

The Acting Speaker (Mr. Paproski): It being 5 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

[*English*]

PRIVATE MEMBERS' BUSINESS

[*English*]

WOMEN'S EQUALITY

FUNDING

Ms. Dawn Black (New Westminster—Burnaby): moved:

That, in the opinion of this House, the government should refuse funding to groups that are actively working against women's equality as guaranteed in *The Canadian Charter of Rights and Freedoms* and in international agreements signed by Canada, such as the *Convention on the Elimination of all Forms of Discrimination Against Women*.

She said: Mr. Speaker, I rise today to speak to a motion that I am introducing before my colleagues in the House, and I will read it again even though you have read it:

> That, in the opinion of this House, the government should refuse funding to groups that are actively working against women's equality as guaranteed in *The Canadian Charter of Rights and Freedoms* and in international agreements signed by Canada, such as the *Convention on the Elimination of all Forms of Discrimination Against Women.*

I am distressed that I have cause to bring this motion forward. It really seems unbelievable that it is up to a private member of this House to have to inform the government that women's equality must be worked for and not undermined. In this day and age, one would expect that the Government of Canada would not be actively using its financial resources against equality for women.

I am referring to a particular incident in which this government used funds that are reserved for equality-seeking women's groups. The government granted $21,212 to REAL Women for a conference it held last April. This group has over the years opposed many rights the women of Canada have been fighting hard for. My motion is directed against any further funding to groups that work against women's equality. I will explain why it is important to refuse funds to such groups, and I will use last April's incident as an example.

It is evident to me that the government tried to hide its funding decision from the public and from interested members of Parliament. I tried to get the co-operation of the office of the Secretary of State which granted this funding to answer basic questions about the process and the reasons the decisions were made.

The Secretary of State's office gave me the run-around. They gave us phone numbers of people to call, people who told us nothing but who simply referred us back to the Secretary of State's office. This office refused to discuss the funding, saying only that the decision was consistent with women's program funding guidelines, but even the briefest look at women's program funding guidelines will tell anyone that this group did not conform to the guidelines. In fact, it is because this group does not conform to the guidelines that it was repeatedly refused women's program funding in the past.

I had to do what I did next because my efforts in dealing with this Secretary of State's office as a member of Parliament were really completely fruitless. I applied as a private citizen under the Access to Information law to obtain the necessary documents that would allow me to see how this decision could possibly have been made. I paid the fee and I filled out the forms. Every effort was made to stall my request. The Secretary of State had a thirty day deadline to respond to my request. It asked for an extension.

I finally received the document only a few days before the conference in question was due to take place. The process I had to undergo to obtain basic information about that funding decision was really shameful. The public has a right to know that its money is being used inappropriately, that its money is being utilized to undermine the hard earned rights women have won over the past century.

The report I received of this government-funded conference told me that in one workshop, the credibility of every female Supreme Court justice was questioned simply because they were women. Madam Justice Bertha Wilson, an experienced and respected judge, was touted as an example of the affirmative action gone awry.

People who think women are incompetent are certainly entitled to their opinion, I suppose, but to have the Government of Canada paying for such a forum in the name of equality is outrageous. It is absolutely outrageous.

Another workshop funded by the Canadian government in the name of equality for women was one in which a male psychiatrist claimed that children in child care would grow up to be partial psychopaths. It is really difficult to see how this statement, which has absolutely no credibility, has anything to do with the equality of women.

Also, in the child care workshop, the audience was told by the workshop leader that women must be nurturers because of their potential to breastfeed. The Conservative government, in defending this funding on the basis that it did meet equality criteria, obviously does not have the first clue as to what equality really means. I will endeavour to explain it.

A part of equality is that men and women have the freedom to do what they, as individuals, are best at and what they wish to do. Many women in a free and equal society will choose to nurture small children; some women will choose not to do this. Many men are capable of nurturing and helping children grow into well balanced, responsible adults.

Women should not be forced into nurturing, nor should men be forced away from it. That is not equality nor is it reasonable or realistic. Why does the government defend rigid sex role stereotyping as a different perspective on equality? It has nothing at all to do with equality.

Another workshop leader in a workshop on pornography said that universal day care would lead to a greater pornography problem because of working mothers. First, I would like to clarify for the government and for anti-equality groups that every mother is a working mother. Raising children is work. Second, I would like to explain to the government that pinning the ills of society on women who work outside the home is an abdication of our collective responsibility to deal with social problems in our country.

In the 1800s, movements arose to deal with society's problems. These were slavery, child labour, extreme poverty and exploitation, high illiteracy, high infant mortality and alcoholism among others.

Some of our social problems have changed. However, the fact remains that we must continue to organize ourselves into progressive movements for change such as the women's movement. We cannot sit back and blame one particular group in our society such as women in the paid labour force for all that is wrong in our world today. Not only is that terribly unfair but it is really not at all useful.

I ask myself why this government is defending its funding of workshops which claim that everything bad is the fault of women in the paid labour force, saying that this is equality. Blaming women is not equality. It is anti-equality.

There was a workshop on the United Nations Charter of Equality for Women to which Canada is a signatory. The essence of the workshop was that the charter was not in favour of "true equality" because it encouraged women to participate in the paid work force.

Another theme of the conference was hatred, lies and intolerance of homosexuality. Again, is this somehow connected with women's equality? The government was unable to explain how out and out lies about lesbians and about gay men are related to furthering equality for women. Yet this government paid for it to be said and paid for it to be promoted.

The conference was openly anti-feminist. One workshop leader told her audience that she hoped REAL Women will be able to counter the effects of the feminist movement. Again, the government stood by its decision to fund this conference dedicated to countering the effects of the women's movement.

The effects of the feminist movement, for the record, include women's right to vote, a married woman's right to own property, the right not to be sexually harassed in the workplace, the right not to be sexually harassed by a stranger, by an acquaintance or by a husband, the right to be included in the Constitution as a free and equal being, equal wages for equal work, and the right to disseminate information about birth control. That right was illegal before 1969. These are the proud achievements of the women's movement over the past century in Canada.

• (1710)

Today the women's movement is fighting for homemakers' pensions, for equal pay for work of equal value, for an end to the economic barriers that all women face, for good quality child care and for women's rights to control their own bodies and their own lives. The women's movement has not only lobbied for these rights but continues to provide services for women, services which include information, counselling for abused women, self-defence courses and support for pregnant women and for new mothers. These are the groups from which the Secretary of State has withdrawn funding to give to an anti-equality group.

October 18 is the sixtieth anniversary of Persons' Day. This is the day that women officially became persons in Canada, thanks to the efforts of many women but especially of Nellie McClung, Emily Murphy, Henrietta Muir Edwards, Louise McKinney and Irene Parlby. Sixty years after women obtained legal status as persons in Canada, our government is funding groups that want to turn back the clock, groups which are afraid of the future.

It is understandable that people fear change. It is confusing to many people when they are no longer faced with rigid sex stereotypical roles. They are unsure of what to do or how it is that they should behave. Women at home are justifiably claiming their right to respect and recognition for the valuable work that they do. I worked at home long before I became a politician and I know what it is to raise three children on one income and to try to make ends meet. I cannot advocate a step backward in time, giving up rights that I and so many women before me have fought for and won.

I believe in a woman's right to choose, to choose whether she will raise children at home, whether she will enter the paid workforce, to choose what to do with her life and with her body. These are the ideas that the women's program is supposed to promote; positive, forward-looking strategies so that women and men may have more choices about their own lives.

This issue of choice is an important one in this debate. I have here a memo from the Secretary of State to the Vancouver Status of Women, one of the many valuable organizations whose funding has already been cut, concerning funding of a particular position on abortion. I will read it into the record.

> Just a quick reminder that Secretary of State Department funding may not be used for any activity which takes a position on the issue of abortion.
>
> This does not, of course, preclude your organization from forming, holding or sharing an opinion, belief or point of view, or taking action if it so wishes. Rather, this requires that these be done with funding *other than* that provided by Secretary of State Department.
>
> To avoid any problems with current or planned activities, I again ask each organization to ensure that it understands and adheres to this policy. I would also ask each organization to ensure that if any activities are undertaken, your organization is certain it can *clearly and unequivocably demonstrate* that resources other than Secretary of State funding are used.

Vancouver Status of Women is a women's group which provides information and other services for women and is pro choice. REAL Women is a self-proclaimed pro-life group. Vancouver Status of Women and all equality-seeking women's groups are prevented from using Secretary of State money to promote a point of view on abortion. Yet Secretary of State has funded an anti-abortion workshop at the REAL Women's conference.

At the conference, a workshop was led on anti-choice interventions at the Supreme Court level. I want to know, did Secretary of State make REAL Women clearly and uneqivocably demonstrate that resources other than Secretary of State funding were used to print up the materials which were used in the workshop or any posters that mentioned the workshop?

Why is it that the Secretary of State is applying a stricter standard to equality-seeking groups than to anti-equality groups? Why is it that the Secretary of State is clamping down on pro-choice groups in favour of anti-choice groups? Is this to promote the government's view on the abortion question, that we should have an ineffective law to restrict abortion but do nothing to help mothers or do anything to reduce the number of unwanted pregnancies? Is this part of a cohesive government strategy to silence pro-choice groups while promoting anti-choice groups?

I note that it is taking Revenue Canada a year to decide on the charitable tax status of the Everywoman's Health Clinic which provides a range of medical and counselling services including abortion. A group called Human Life International already has charitable tax status with Revenue Canada. This is the organization that sent horrific postcards to all members of Parliament. It showed decapitated foetus heads dripping with blood. The same group sent MPs a series of anti-choice articles as well as anti-child care article entitled "Daycareism and Socialism in Sweden".

Why is Secretary of State withdrawing a significant amount of funds for equality-seeking groups and at the same time granting new funds to anti-equality groups? What is this government's agenda for the women of Canada?

A curious thing about this whole incident of funding an anti-equality group is that it shows how very little power the minister responsible for the status of women seems to have in determining the government's policy on women. When I questioned her in committee, she did not wholeheartedly support this funding. Yet I have copies of letters written from the Secretary of State's office to outraged women's groups which wrote to the minister to complain of anti-equality funding. These letters say that the decision to fund REAL women was completely consistent with the women's program equality criteria.

It is difficult to argue with the minister who clearly does not understand what equality means. More to the point, what is evident is that the minister responsible for the status of women, who has a better idea of what equality means, was either not informed of the funding or was not listened to when she explained that such a conference did not promote equality for women.

One argument I have heard in favour of funding anti-equality groups is that they present a different perspective and that all perspectives must be respected. However, the mandate of the Secretary of State's women's program is not to fund womens' organizations, it is to fund equality-seeking womens' organizations.

The Secretary of State's complete disregard of the women's program guidelines leaves the door open to all sorts of really bizarre funding decisions. If the government is going to override its own guidelines and fund anti-equality groups, what will it fund next through the women's program, apolitical women's organization such as bowling leagues, the ladies auxiliary at the Ku Klux Klan? Who else is going to receive money previously earmarked for groups promoting equality between women and men in our society?

This government should really be ashamed of itself. It can no longer even pretend to support the equality of women in our society. It is imperative that this House support the motion to refuse funding to groups that are actively working against women's equality.

The women's program was a victim of the last budget in April. It was cut by 15 per cent. I received letters from every region of Canada. These letters expressed shock at this attack on an already under-funded program and under-funded groups. These groups have served women and communities across Canada on shoe string budgets. These women's groups often provide a service that the government would have to pay a lot more for if their functions were to be taken over by the government.

• (1720)

Mr. Patrick Boyer (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, this is the second day that Parliament is back in the fall session and we have before us a motion that shows clearly to the House and the country the line of reasoning and the kind of thinking for which members of the New Democratic Party are famous, for which reason all of us can be thankful that they remain in opposition and have no prospect of forming the government. A fundamental principle of this country is the rule of law, not the rule according to the whim and subjective judgment of individuals.

What we are talking about here are criteria that are set out under which groups in this country can apply for funding. If they meet those criteria, they receive the funding. To say that beyond that there should be bureaucrats, politicians or others who can look in detail at what is said at a particular conference and, on the basis of that, should not allow the grants to go forward when those groups have met the qualifications is to say that the rules and the criteria are not applicable. This is, in effect, another face of the same question of universality which always has members of that party up on their hind legs barking. It is saying that when there are criteria established for grants then all who meet those criteria universally qualify.

Let me give an example of what the problem is with this subjective approach the New Democratic Party is now putting before us this afternoon. In 1985, I was chairing a committee of the House, the Parliamentary Committee on Equality Rights, made up of members of all three parties. We held hearings across the country and we held hearings in the city of Toronto at a downtown Toronto hotel. While we were in the process of holding our hearings, elsewhere in that same hotel NAC convened a press conference to condemn the process by which we were proceeding, to make criticisms of our committee and to generally take a great opportunity for grabbing some headlines through a petulant outburst that I thought was quite unwarranted.

The fact is that a few months later, a report was tabled entitled *Equality for All*. It contained 75 recommendations unanimously supported by all three parties, recommendations dealing with the equality of women, maternity benefits, armed forces, immigrant women, health issues relevant to women and so on. If I was taking the subjective standard of the member opposite, I would have said that NAC, using money provided by the federal government to launch that criticism of our committee and its workings, was at that time working against the interests of women's equality. That is exactly the reason that we do have rules that set those criteria and we do not indulge in the kind of subjective approach that is being taken here.

Another example is the Ontario case of election financing being provided to all political parties which registered. The Communist party registered in Ontario and qualified under the Election Finance Reform Act of Ontario for public funding. A lot of people in Ontario did not like the fact that their tax dollars were going to fund the Communist party. However, the same point applies. Because it met the criteria, it qualified for the funding and it received it. It was not up to government officials or bureaucrats to get subjectively involved and say: "No, only these main-line political parties will qualify and we do not like the smell of the Communist party. We do not like what they stand for, and therefore, they are not going to get the funding". No, if you set up the rules, they apply to everybody. Either you fund all the groups or you do not fund any of them.

[*Translation*]

Mr. Speaker, I would also like to say a few words about our Government's record on women's equality.

Our Government has every reason to be proud of what it has done to improve the status of women.

For instance, we could look at our Employment Equity Act, the steps we have taken to fight family violence and sexual exploitation of children, our announcement that we intend to increase parental and maternity benefits, the measures we took to ensure that alimony and custody orders are carried out and our decision to improve training opportunities for women.

We have developed programs to encourage women entrepreneurs. We have taken steps to help women farmers and we have opened all trades and professions in the Armed Forces to women.

In co-operation with the provinces, we have looked at women's training needs and their health concerns, and we have also looked into better ways of harmonizing women's work and family responsibilities. Our Government has appointed a record number of women in key positions in federal departments and agencies, the judiciary and the diplomatic corps.

All these achievements are irrefutable proof of our commitment to improving the status of women in all sectors of Canadian society. Furthermore, Mr. Speaker, these achievements were the result of a joint effort. In all its initiatives to enhance the status of women, our Government sought the active of participation of the provinces and territories, business and labour, the volunteer sector and, more importantly, women themselves, whether in groups or as individuals.

Our Government is very conscious of the remarkable contribution of women's groups to the development of our country.

As pioneers, women cleared land, established families and communities and took an active part in developing the country's social, economic, political and legal structures. They found their place in factories, offices, hospitals and schools, doing their share to strengthen and expand the Canadian economy. Today, women in increasing numbers are playing this essential role in our society.

Today, as in the past, despite all their domestic and family responsibilities, their careers and community involvement, women still find the time and energy for individual or collective action aimed at improving our society.

By the end of the last century, women united around common causes and formed organizations to fight for such issues as women's suffrage, temperance, abolition of child labour, and better working conditions and social justice for all.

Today, hundreds of women's groups continue this tradition of social struggle and involvement in areas such as family violence, sexual exploitation of children, employment equity and equality rights.

Our Government supports and encourages the work being done by women's groups.

During our previous term, Mr. Speaker, women and women's groups took an active part in developing government policy. Although the Department of the Secretary of State's Women's Program is the main source of financing for women's groups, the federal Government also helps these groups in other ways.

For instance, Mr. Speaker, women's groups have set up a number of projects thanks to the Child Care Special Initiatives Fund, created in December 1987 to promote innovation in daycare. In response to government initiatives to deal with family violence announced last June, women's groups have submittted projects for helping women who are victims of family violence, especially Native women, handicapped women and women who are immigrants or belong to visible minorities.

In Canada today, women and women's groups know that the concept of equality goes beyond the absence of discrimination.

• (1730)

[*English*]

Ms. Mary Clancy (Halifax): Mr. Speaker, I rise today in support of this motion, but before I return the debate to the motion from whence it has diverted for the last 10 minutes, I would like first of all, through you, Mr. Speaker, to apologize most humbly to the hon. member for Etobicoke—Lakeshore for the uppity nature of the National Action Committee on the Status of Women for having the temerity to exercise its right to free speech when his committee was holding hearings in the city of Toronto.

May I further say that it is an edifying experience for the women in this House to be lectured to by the hon. member on the subject of how well off we are today. I hesitate to speak, of course, for my female colleagues on the other side of the House, but I can say for those of us over here that we just love having this gentleman telling us how lucky we are. I hope he might come some time to my constituency again and I can introduce him to large groups of women who perhaps may disagree with him. However, let us get back to the motion at hand.

I particularly support this motion in its reference to the declaration on the elimination of all discrimination against women, and I would like to note one of the articles of this. I quote:

> Discrimination against women, denying or limiting as it does their equality of rights with men, is fundamentally unjust and constitutes an offence against human dignity.

And this is what we are talking about here today. We are not talking about how well off we are because we are not well off, not even those of us who have had the nerve to invade the sacred chambers normally inhabited by men. We are not well off, and women in this country are not well off. Working and fighting in the battle for gender equality is sometimes very depressing. I may say never more so than during the time I had to listen in the last 10 minutes.

The cuts in funding to hard-pressed women's groups are a travesty. One of those groups, I might mention, is the Canadian Congress of Learning Opportunities for Women, one of the most prestigious and respected groups that is doing a superb job of work for the advancement and for the equality of women in this country.

It is interesting about CCLOW. Do you know that CCLOW has written three times asking to meet with the Secretary of State. Does it have an appointment? Not yet! Has it had an answer to any of its letters? Not yet! But that is okay, we are well off and we do not need CCLOW to meet with the Secretary of State. As yet, no answer to three requests to meet. Yet the Secretary of State gives funding to REAL. I refuse to refer to it as "real". If that is "real" then the rest of us are extremely imaginary.

It is time for someone to get real around here and I say it is this government. This is the 20th century. You may have to be dragged kicking and screaming into it, but it is here. As a matter of fact it is almost over, so you had better hurry up.

The concept of family in this country has changed. The nuclear family with father working and bringing home the bacon and mother living in a rose-covered cottage and caring for the children is not the norm any more. Good or bad, it is not the norm.

The economic exigencies of modern life demand that women work outside the home. They have always worked inside the home, contrary to the belief of some people I have spoken to lately, but now they must work outside the home. The number of women who have the luxury of the choice to stay at home is getting smaller and smaller. Most people realize this, but some do not.

Women do not work for a lark and they do not work for a hobby, they work to survive. They work to support themselves, they work to support their children, they work to support aging relatives and so on and so on. Mainly they do this work for 35 per cent less money than men, and mainly they work in job ghettos.

But I will tell you a secret. Maybe we had better have water! Where are the pages? Just be ready with water Some women actually work in this country because they like to. They want to work, they enjoy it! And indeed these women manage to do a good job in the workplace. They manage, through some superhuman ability, to run their houses, to bring up children who do not turn into

young offenders, or drug addicts, or murderers, or even politicians. These women manage to keep all these balls in the air and they do it on less money and less time than anyone else has ever been asked to perform such herculean tasks with.

They do it without proper benefits, in the main. They certainly do it without adequate child care, and they do it in many, many cases without a real chance of promotion. They do it also with the reality of sexual harassment. It is not a pretty picture and, unfortunately, it is often a picture without much chance of advancement.

The declaration on the elimination of all kinds of discrimination against women refers to dignity. Let me tell you, it is an assault upon the dignity of Canadian women for the government to fund groups that do not believe in the principle of equality.

Some Hon. Members: Hear, hear!

Mrs. Clancy: It is an assault on this dignity when groups who oppose pay equity, oppose child care and oppose the full inclusion of women at all stratas of society, are given credibility through government support.

There is no doubt that individual Canadians have a perfect right to believe that women should stay at home. Indeed, women who freely choose to work at home deserve our respect and also our support, but no one has the right to say that women must stay at home. No one has the right to deny women in the workforce the action necessitated by 2,000 years of patriarchal sexism, which will bring them to true equality.

There is an old Chinese principle that says women hold up half the sky. Actually it was Mao Tse Tung who said it and I think he was being a little conservative, probably for the one time in his life. Millions of women in this country carry the burden of home and workplace, provider and nurturer.

It has been 22 years since Canada signed the declaration on an end to all forms of discrimination against women. It has been five and a half years since the Charter of Rights and Freedoms came into force in Canada and sadly, unhappily, we are not much further ahead, in spite of the litany that I heard from my friend opposite.

Women have been patient but this patience is wearing very thin. Dignity means human, legal and civil rights. It means fair payment. It means fair opportunity. To a government that funds groups that deny these rights to women, I say, through you, Mr. Speaker, be warned by their works you shall know them. Cuts to groups that work for gender equity, combined with funding to groups who want to return us to the Dark Ages will be remembered.

I would like to close my comments a little early and quote a male poet if I may. If you think women won't remember that no action has been taken, I remind you of the words of John Donne "for whom the bell tolls; it tolls for thee".

[*Translation*]

Mrs. Monique B. Tardif (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, first of all, I may say I listened with great interest to what my colleague, the Parliamentary Secretary to the Secretary of State for External Affairs (Mr. Boyer), had to say. By recalling various projects that were also instrumental in promoting and improving the status of women in Canada, I feel he made a contribution towards achieving the objectives we have in mind, and I must say I appreciate that very much.

I listened earlier to what was being said by my colleague from the Liberal Party, and I find it hard to believe that today, in Canada, there are people who do not realize that the status of women in this country has made significant progress in the last ten years.

We need only look around us to realize that more and more, Canadian women are taking their rightful place, not the place of others but the place they deserve in various activity sectors.

Mr. Speaker, I would like to look at what is happening in education. Today, Laval University, which I happen to know best because it is practically next door . . .the statistics reveal that at Laval University in Québec City, 52 per cent of the student population is female and I think this reflects what is happening across Canada. Mr. Speaker, this is indeed an improvement. My point is that if we want to achieve women's equality in employment and in all other areas, we first have to ensure that all women are entitled to a real education and to the same education as the population of Canada as a whole. Personally, I am proud of these figures, and I think that over the years we will see the results as our society evolves even more rapidly.

• (1740)

Mr. Speaker, Agnes MacPhail, the first woman to be elected to Parliament nearly sixty years ago, would probably be very proud to see that her pioneering efforts have born fruit and that women are getting closer and closer to the common goal they have set for themselves, namely, equality on all fronts.

Mr. Speaker, if we look at the election held yesterday in Québec, 121 candidates were fielded by the various political parties. By the end of the day, 22 women had been elected to the National Assembly. In one riding, people knew even before the results were announced yesterday that they would have a woman representing them in the National Assembly. In the riding of Kamouraska—Témiscouata, three women were represented the various political parties: the Liberal Party, the Parti Québécois and the Green Party. I don't think anyone protested the fact that all three candidates were women, three women who I am sure are trying to promote the status of all women and who do so despite their philosophical differences which, of course, we must respect.

A large number of Canadian women have reached the higher echelons in management and take part in the decisions that concern them as women. They constitute a group of first–rate spokespersons for all Canadian women.

Conversely, I believe that the women's movement's fundamental objectives of social, legal and economic equality are now shared by the vast majority of Canadian men and women.

This does not mean we can sit back and feel that women's equality is now a fact. On the contrary, we must intensify our efforts to pursue and attain the freedom we are seeking, as members of a society that respects the rights of each and everyone.

True to the spirit of the Charter of Rights and Freedoms, the Canadian Government tries to ensure that all Canadians participate equally in all aspects of life in this country. It recognizes the importance of promoting full participation by women in our country's political, social and economic life, and it has shown a strong commitment in the form of various initiatives.

The Government's main priorities with respect to the status of women are largely defined in a document entitled: *Dimensions of Equality: A Federal Work Plan For Women*. Its objective is to promote women's equality and remove barriers that limit their potential. The Women's Program, created almost 16 years ago, has drawn much of its inspiration from this work plan.

Since 1973, the Women's Program, which comes under the Department of the Secretary of State, has supported the initiatives of a large number of organizations dedicated to improving the status of women.

The Royal Commission of Inquiry On The Status of Women was right to recommend creating this kind of program.

Today, as a major federal program, it offers consulting services, information and financial assistance to groups that work for women, whether they are at home or on the labour market.

One of the goals of the Women's Program is to make governments, large institutions and the general public familiar with women's views on the burning issues of the day. And I wish people would not discriminate against the concerns of women generally. This makes the program an invaluable tool for all Canadian women.

During its first term, the present Government also placed special emphasis on women with special needs. And if you do not believe that handicapped women have special needs, you would do well to go back and see your constituents!

For example, the Secretary of State Women's Program gave financial assistance to the Disabled Women's Network to enable it to conduct a major national survey of the concerns of handicapped women. I think that is important; they are indeed very special needs and those people must be looked after.

In short, in 1987–88, the program financed nearly 750 national and regional projects which all contributed in one way or another to advancing the status of women in Canada.

Mr. Speaker, we have accomplished much in very little time. Of course, we firmly intend to continue in this way.

The record of our accomplishments on women's issues is most favorable, but I believe that women deserve most of the credit. We must also point out the sustained efforts of all concerned and hope that governments, institutions, unions and the private sector will continue to work together to make the necessary changes to our national life to promote justice and equal opportunity for all Canadians, men and women, individually and collectively.

Mr. Speaker, it is in this spirit that the Government undertakes to meet the formidable challenge of equality between men and women.

[*English*]

Ms. Langan: Mr. Speaker, fortunately, or maybe unfortunately, the member has concluded now, but my point of order was to ask you to rule on relevancy because not once did she address the motion.

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, before I begin my speech in support of my colleague's motion I would like to point out that the members opposite have sent a rallying cry today for the feminist movement. As the feminist movement has always been fuelled by anger, you have given us more fuel for that struggle today in your comments.

I think the motion that my colleague has presented in the House also speaks to the kind of anger that the women of Canada have voiced against this government's actions in funding anti-equality groups. Not only on this side of the House but before the Health and Welfare Committee the Minister responsible for the Status of Women is quoted as saying that she was "damn mad" about that and that she was going to find out. We have not heard anything more, but I can assure you that feminist anger is not necessarily a politically partisan anger. It is an anger throughout this land for people who fund anti-equality.

When the Royal Commission on the Status of Women was brought forth 22 years ago it was for the promotion of equality and we will not be satisfied until that equality is attained, we will not be quiet, and we will not even be polite.

Some Hon. Members: Hear, hear.

Ms. Hunter: This is not a free speech issue. This is an issue on fighting for the kind of equality that we demand. We have a proud history in my party. The first woman member of Parliament, Agnes Macphail, was a member of my party. That long history of fighting for women's equality is something that we on this side, in this party, will be determined to continue, unlike some of the other people in this House.

We will not be satisfied with funding for band-aid solutions, the kind of solutions that the parliamentary secretary was alluding to in his talk. We are talking about funding for the real root causes against discrimination against women.

How will these groups do it with a 15 per cent reduction? They will have to go out and fund raise again. I am sure that is the concerted intention of the government, because the more energy groups put into fundraising the less they do in effecting real change in their communities.

I had the honour this year of writing a letter of support for a woman in my community who has spent her life working for the equality of women. Ms. Kay Armstrong has now just been selected to be one of the recipients of the Person's Award. This kind of lifetime work is what we, in my party, support.

• (1750)

The parliamentary secretary made his speech—I am careful now in my choice of language, Mr. Speaker, because I want to remain parliamentary but to say that I was offended by it is to understate somewhat.

This motion goes to the very heart of what this government talks about when we speak about deficit reduction and about cutting to the bare bones. We have to discriminate on what kind of money we spend. We have to target the use of funds wisely in order to achieve government objectives. So this is why it is not consistent to fund anti-equality groups if the government is sincere in its intention to promote the equality of women. This is why my colleague has put this motion forward. If you are sincere in wanting to cut the deficit and make your use of government funds more effective and if you want to promote the equality of women, the two things do not jive. You cannot have both. It is a shame that this government does not seem to have the real basis of understanding.

Prior to being elected I was active in a women's group in my community and I was privileged to be selected to talk on the funding issue to the standing committee which travelled across Canada. That message came through over and over again. When you are talking about a 15 per cent reduction for women's groups that are struggling for equality you are talking about reducing funds for women's centres that are working on sexual assault, you are talking about rural women who have very, very little opportunity for getting these kinds of resources in small communities. You are talking about women in major urban centres that have been on the vanguard of trying to see the whole infrastructure that discriminates against women.

When you are talking about that 15 per cent reduction you are talking about the real effects, the struggles we are trying to identify. It is child care issues, it is housing issues; all of these issues these women are trying to solve. The women's program is one of the most effective, efficient operations in trying to get the real structures of society changed. They get very good value for their money.

A number of my friends work in women's centres and they work for very little money. I am talking about an annual income of probably $22,000 or $23,000 a year, if they are lucky. They work many long hours for those salaries. So when you are talking about a 15 per cent reduction you are talking about cutting those salaries, cutting their efficiency and their ability to do their work.

This is why we find it so offensive that this government has decided to give a grant for the anti-equality group. It is just so inconsistent with all the government's intentions. I know that this government has a little problem with consistency, but this is one of the most blatant examples of it. The government is trying to talk out of one side of its mouth saying one thing and out of the other side saying another.

In conclusion, Mr. Speaker, I just want to reiterate that the members opposite today have helped us enormously because they have fuelled that feminist anger. I know a number of journalists have now said that feminism is the new "f" word. Well, if that is the way they think of it, they can be assured that there are those women on this side of the House who are willing to say it over and over again.

Some Hon. Members: Hear, hear!

Mr. Benno Friesen (Parliamentary Secretary to Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, the member for New Westminster—Coquitlam has brought forward a motion which objects to the fact that the federal government has recognized the existence of an organization known as REAL and it has funded it, for one event, to the tune of $21,000 over against something like $11 million that was given to other women's groups and organizations. Now I do not know if that is a threat to the other organizations but I do not understand why $21,000 is seen as such a threat, at least as indicated by this motion.

I listened to the remarks of the hon. member from New Westminster. She referred to the inequality that this organization proposes. And then I remembered seeing the masthead—you can understand I have not been active in that organization—of some of their literature and I see lawyers in the leadership and doctors and teachers and other professional people. I cannot imagine that the leadership of that organization considers itself to be in any way unequal to any other women's group and certainly not unequal to any men. They have made it and they have done very well. They have made it because they are good. I do not think they see themselves as being unequal to anyone, because they are professional people, whatever walk of life they are pursuing.

It is characteristic, however, of the New Democratic Party in its approach to life that it espouses causes of such things as tolerance, understanding and broad-mindedness. NDP members really believe that if you happen to agree with them. They tend to be tolerant and broad-minded if you agree with them. But let anybody be different from them, let anybody cross swords with them, let anybody espouse a cause that argues with them and pretty soon we have names like Fascist and Klu Klux Klan coming up in the debate and somehow the tolerance and the understanding, all that goal seeking on the part of the New Democratic Party, somehow evaporates very quickly if somebody disagrees with them.

I happen to believe that there is some merit in this motion. I think perhaps groups that fight for the wrong causes, perhaps even in their definition, should not be funded. I recollect that when this organization put forward its conference there were demonstrations against it by other women's groups funded by the federal government. And I am saying to myself, if these women's groups are being funded by the federal government to fight for equality for women, which is a legitimate cause because we know that there are areas of inequality in the workplace and so forth, should they be using that funding to fight other women's groups who do not agree with them?

An Hon. Member: Don't patronize us.

Mr. Friesen: You see, I happen to put forward another point of view and so right away I am patronizing. Please, I thought we were all equal in this chamber.

So here we have women's groups who fight other women's groups but they do not want the other women's groups to get funds because they say that they are unequal. I tend to think that perhaps there is some merit in this motion and that the minister ought to pay some attention to it.

The other thing that bothers me about the remarks is that I thought they were somewhat inaccurate. I have read some of the literature of this organization and I recall very clearly that they support day care, perhaps not in the formula that the hon. member wants to see it. I remember reading that they—

An Hon. Member: Oh, oh!

Mr. Friesen: You can see the approach they take. This is equality of opinions here, you see. I recall that they believe in homemakers' pensions, perhaps not in the formula that some of the other women's groups suggest but they believe in it. Yet we were told in the chamber here that they do not support those causes. If we are going to debate these issues, we at least should be accurate.

I thought that the base definition of equality was that it suggests that we are equal even though we are not uniform, even though we are different we are equal. Surely in a world of diversity of ideas, in a country where there is a free flow of ideas, there ought to be room for diversity of opinion among women's groups. Surely that ought not to threaten the equality of any of those groups and certainly should not cause other women's groups to inveigh on the integrity and the viability of such groups that have a different point of view.

• (1800)

The Acting Speaker (Mr. Paproski): I regret the hon. member's time has expired.

The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1) the order is dropped from the Order Paper.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

EXTERNAL AFFAIRS—CRISIS IN CHINA—MANDATE OF UNITED NATIONS/EVACUATION PLANS FOR CANADIANS IN CHINA

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, I note that you noticed me first this time.

On June 5, 1989, we passed a motion in this House unanimously condemning the government of China for the murder of hundreds of Chinese students in Tiananmen Square.

Two days later, on June 7, I asked the Secretary of State for External Affairs what action he has taken to persuade the United Nations Security Council to intervene directly as the crisis, though internal, posed a potential and imminent threat to global peace and security.

On both occasions the Secretary of State assured this House that the situation was being treated very seriously by the government and, in fact, that relations between China and Canada would not be "business as usual", until the Chinese government put, and I quote the Secretary of State:

> —a stop to the senseless killing and adopt a course of dialogue with the people of China.

These are Minister Clark's own words.

He went on to say that all events that were planned in the immediate future had been deferred or cancelled, that the signing of certain memorandums of understanding had been postponed, that nuclear co-operation consultations that were supposed to be ongoing had been suspended, and that visits were being deflected. In other words, everything was put on hold until such a time as the government of China would take some action to justify why in the light of recent events we should continue relations with that country.

Well, as we all know now, this was not to be. Within two months of these assurances, the government decided to go ahead with a $1 million loan for the sale of Canadian telephone equipment. Within two months of these assurances the government decided to go ahead with an additional $130 million loan for a hydroelectric project in China. Within two months of these assurances the government decided to go ahead and send a federal civil servant to a conference run by the Chinese government in the month of November.

All this was after a reported private meeting that the Secretary of State had with the Chinese foreign minister during the July conference on Cambodia. We must also remember that while this private meeting was going on, the House was in recess and the Prime Minister and Mr. Clark were still spewing forth about the tough action that the government was taking against China.

We are now hearing from China's new consul general in Toronto that, and I quote his words: "Both countries' foreign ministries have met and that the Canadian government has expressed its willingness to restore normal relations between the two countries". This is a man who, in the same breath, justified the murder of those students in Tiananmen Square and the ongoing executions by the very fact that they are different concepts of human rights depending on different ideologies.

This kind of action from a country that prides itself on its reputation for leadership in human rights issues all over the world is abhorrent. When the loss of lives is ignored in the interest of a dollar, it is time to re-examine our priorities. It is in the interest of the dollar that this government has decided to turn a blind eye to the atrocities that still continue in China today.

The Secretary of State for External Affairs claims that it would be far more dangerous to stop all relations with China. What he means is that it would not do Canada any good financially to stop relations with China. Our trade with China and the virtually untapped market that is in China may forever be closed to us if we were to be firm and to insist that our continual relations would depend vastly on a change in the attitude of the Chinese Government.

• (1805)

This type of inconsistent and contradictory behaviour brings to mind the future of those Chinese who are still here in Canada. One begins to wonder what the definition of turmoil is to this government. The Minister of Immigration has assumed that no Chinese nationals will be sent back to China while there is still turmoil in their homeland. If the government is so willing to maintain its relationship with China under the present circumstances, how long before it decides either that things have returned to normal or that it cannot afford the wrath of the Chinese government with which it needs to do business so desperately?

It is ironic that the Secretary of State is on a five day visit to the United Nations Assembly, with human rights at the top of his agenda. I hope for his sake that he is not asked to respond to his government's handling of this particular situation.

After much lobbying Canada got its seat on the Security Council. To date we have been shy to use our position to address any crisis that has occurred since then. I am thinking of the China crisis, and the Syrian–Lebanese crisis.

On October 1 of this year we will be presiding over the council for a period of one month. I would question whether for this government all these accomplishments are really anything more than exercises in diplomatics and public relations.

Over the last few years the United Nations has developed into a body that has gained wide acceptance and admiration because it is able to wield great influence. Therefore it gets things done. I sincerely hope the question of China is still on the agenda and, if not, that this government will push to have it put on the agenda as the number of arrests and executions continue to mount. I know that the parliamentary secretary has to reply on behalf of the minister. My criticism is not addressed to the parliamentary secretary, but at the way his government handled this situation. I know of his interest in human rights around the world. He knows that human rights violations have no borders. I know if he were the Secretary of State for External Affairs he would have handled it differently.

Mr. Patrick Boyer (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the hon. member for Parkdale—High Park is a thoughtful and experienced parliamentarian. Although this is a sensitive and, in many ways, a difficult issue I am glad that he has raised it.

At the conclusion of the debate in this House, the Secretary of State for External Affairs put forward a resolution which was adopted by all parties. It gave expression to three guiding principles that would try to frame Canadian policy in relation to China, following the tragedy of June.

The three basic principles that the Secretary of State outlined were these. First, to preserve existing links to the extent possible; second, to focus on people-to-people exchanges; and, third, there would be no support from Canada for the military and propaganda apparatus of China.

Now, it is very clear that in this matter we are walking a fine line. It is not an easy matter or always a black and white, simplistic matter to say we are expressing our condemnation of the Chinese regime and those actions. At the same time, we want to see China not revert into isolation where, unfortunately, it was for a quarter of a century, and that the links that have patiently been developed between our country and China not all be jeopardized at the same time. So it is clearly a difficult tight rope or fine line that any government of whatever persuasion would be walking. That, I think, was reflected in the unanimous resolution passed here.

I can say that the Secretary of State has publicly expressed the view that the two subsequent actions to which the hon. member has referred are consistent with the criteria that he has set out.

• (1810)

The further and final point I want to make is that the member referred to an official of the Chinese Government who had referred to a return to normalcy in Canadian-Chinese relations. Those were the Chinese official's words. That was his interpretation. That was in his interest to state, but that does not reflect the position of the Government of Canada. It does not reflect the position of where the government is going on this.

Chinese in this country, the students particularly, the guarantees that were given by the government stand. There will be no mass returning of people or of individuals who participated here. What was committed by the government stands as government policy.

Adjournment Debate

HEALTH—THALIDOMIDE—TASK FORCE REPORT—COMPENSATION FOR VICTIMS/REQUEST FOR EARLY ANNOUNCEMENT

Mr. Dave Dingwall (Cape Breton—East Richmond): I rise today with regard to a question posed to the Minister of National Health and Welfare on April 20, 1989.

On that particular occasion I requested of the minister responsible for health and welfare that a commitment be made and a subsequent decision thereafter be made in terms of providing compensation to those individuals who were affected with the thalidomide drug some time ago. On that occasion, the minister indicated to the House and to members present that no decision would be forthcoming until a comprehensive review could be undertaken.

I rise tonight to underline the seriousness of the request, the importance of compensation to those courageous young men and women who have been affected with this particular disability.

Some time ago the report of the thalidomide task force indicated the following: "The responsibility of the federal government to provide compensation for the victims of thalidomide was admitted in a statement made to a special committee of the House of Commons on January 29, 1963; by the Minister of National Health and Welfare, the Hon. J. Waldo Monteith. The minister at that time said: It is our job to ensure that these victims are cared for in the best possible manner. . .and that their needs are met to the fullest possible extent we can devise".

That was a statement which was made by a previous minister of the Crown. The Government of Canada, and particularly the Department of Health and Welfare, have been seized with this particular issue for so many years, in fact, 26 years. Recently, a task force report which was submitted to the minister in February outlined very clearly why they believe, as victims, and the organizers as well, that the Government of Canada ought to share in some of the responsibility for this particular, what I deem, disaster.

Unfortunately, this government, as well as previous governments, have not moved very quickly. Yes, it can be said of the present administration that it only received the report several months ago and is not in a position to make that decision. We should reverse the situation for a moment. We should ask ourselves: "What are these victims doing? What sort of lifestyle are they enjoying in 1989? What are the demands made of them in every day living, from housing, to medicare, to education and

training?" Their marketability in terms of the job market must also receive careful consideration. I believe more so it requires action by the Government of Canada. These are men and women who, because of no fault of their own, have had to put up for some many years with the effects of this particular drug.

• (1815)

I am perfectly well aware of the arguments which have been made by legal counsel for the Government of Canada that to admit liability in some way would be setting a precedent. I do not argue on the basis of legal precedent. I argue on the basis of a moral responsibility that the Government of Canada must have towards its citizens regardless of where they live and indeed the circumstances in which they do live.

The International Commission of Health Professionals supports the Canadian thalidomide victims' claim and has done so. In fact, a statement of claim has been submitted to the Subcommittee of the United Nations Commission on Human Rights for its determination.

So this issue has now transcended, if you will, Canadian boundaries and is in the hands of the United Nations for a decision as to what it believes to be appropriate. I would like to ask through you, Mr. Speaker, to the parliamentary secretary, as to whether or not an affirmative decision can be made forthwith in order to provide the necessary compensation to alleviate some of the harm and some of the difficulties that these individuals have been confronted with for so many years. Second, is the minister prepared to stop putting preconditions in terms of compensation, and would he meet again, as he has in the past, with the organizers and the thalidomide victims to discuss in detail as to how compensation is provided and how it ought to be administered over an extended period of time?

In conclusion, I wish to say that this particular issue has received the support of many of my colleagues on this side of the House. I name two in support of what I am saying here today. My colleague from London East, as well as my colleague from Dartmouth, are both very supportive, as is our entire caucus, to the idea of providing the necessary compensation. I suggest, however, to the parliamentary secretary responding on behalf of the minister that that response is long overdue. I would hope that he will provide us with some positive news as to when the compensation will be forthcoming.

Mr. Ross Belsher (Parliamentary Secretary to Minister of Transport): Mr. Speaker, many of us in the House remember the shock and sadness that accompanied the birth of the thalidomide babies around the world in the early 1960s. This unhappy event represented a profound challenge to the understanding and endurance of the medical and scientific communities and ultimately to the spirit and well-being of the thalidomide victims themselves.

At that time the federal government arranged with the provinces a cost-shared plan of assistance and support to thalidomide victims and their families. The program addressed not only the medical needs of the children but also the economic, psychological and social impact of the tragedy on those affected and the enhancement of rehabilitation services. The federal government was able to stimulate these co-operative efforts through four programs: national health grants, national welfare grants, the medical rehabilitation crippled children's program and the hospital insurance program.

The government pursued the recommendations of an expert committee established in 1962 to examine the habilitation of congenital anomalies with thalidomide and funded professional training for clinical rehabilitation workers, the establishment of regional prosthetic research and training centres and schools of prosthetics.

As the issue of financial compensation from the drug manufacturers developed, the government offered families of thalidomide victims whatever assistance they might require in presenting their cases to the company. A number of families took advantage of this offer and received settlement through this route.

In 1988, the War Amputations of Canada gathered together for the first time a number of Canadian thalidomide victims and out of this meeting grew the Thalidomide Victims Association of Canada and the Thalidomide Task Force. The task force prepared an extensive report of the Thalidomide tragedy and submitted its work to the Department of National Health and Welfare on February 14, 1989.

The government's review of the positions and perspectives presented by the task force began immediately. Central to the current issue is the task force's request for financial compensation on behalf of all surviving thalidomide victims in Canada.

On March 30, the Hon. Minister of National Health and Welfare met with representatives of the task force and the Thalidomide Victims Association in Toronto. The meeting provided all participants with an opportunity to exchange ideas and views. Several members of the task force and the association described the needs and

aspirations of thalidomide victims in eloquent terms. The minister explained the process by which he and his officials are attempting to address their concerns and their requests, and those of other groups of Canadians who have represented their cases to the government.

This first meeting was an occasion to learn but the process is by no means complete. There has been substantial correspondence between the minister and the task force aimed at keeping open the lines of communication. We are confident this process can lead toward a shared appreciation of a basis on which extraordinary assistance can be extended.

It would not be true to the spirit of this process to prematurely speculate on the outcome, but thalidomide victims and others with requests now before the government need to be assured that their needs and concerns are being heard and considered with the utmost importance.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

The House adjourned at 6.21 p.m.

HOUSE OF COMMONS

Wednesday, September 27, 1989

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*English*]

THE PRESS

Mr. Jim Karygiannis (Scarborough—Agincourt): Mr. Speaker, I am rising under the provisions of Standing Order 31 with regard to an article that has appeared across the country. The article reports me as saying things that are anti-French and anti-Quebec.

The quotes that were used were taken from an article in Montreal's *The Gazette* written earlier this month in which I was discussing how my attitude has completely changed from that of when I was living in Montreal in 1978. I spoke of how I supported fostering better relations between the French and the English and how I myself am taking lessons in French. This, however, was omitted from the wire service story.

[*Translation*]

I want to apologize to those people who read the article and possibly got the impression that I was anti-French and anti-Québec. I am myself a member of an ethnic minority, and I can assure you I harbour no discriminatory feelings.

[*English*]

I believe that in Canada, being the cultural mosaic that it is, linguistic tolerance is one of the cornerstones of a Canadian democracy.

* * *

VIA RAIL

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, the VIA Rail document recently presented to the priorities and planning committee of cabinet and leaked by *The Winnipeg Free Press* shows this government's blatant disregard and short-sightedness toward tourism, one of Canada's leading industries.

The government spends millions of dollars promoting train travel as part of its tourism product, while it simultaneously does a hatchet job on VIA. The Vancouver–Montreal route which is to be scrapped completely is an internationally renowned favourite with foreign travellers and enjoys an annual booking of over half a million passengers.

Cutting VIA routes to the extent indicated by the proposal will do serious harm to the businesses that rely on tourism and the tourism dollars which of course are generated by tourist travellers using the VIA Rail trains.

This hatchet job to VIA Rail will compromise the future of Canada's tourism industry and its ability to service the international tourism market.

Killing VIA Rail, Mr. Speaker, is indeed a false economy.

* * *

PROPOSED GOODS AND SERVICES TAX

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, the release of the GST technical paper has sparked considerable interest in my riding of Sarnia—Lambton. It has spawned an insatiable appetite for information. Over the past weeks I have attempted to meet this demand with a wide variety of materials. Public forums, talk shows, personal newspaper columns and briefing packages, as well as finance publications have all been made readily available to my constituents.

In the end they are appreciative of my efforts and the information that they are receiving; information that depicts the inequities of the current system, information that gives them a better understanding and appreciation of how the GST will work and benefit our country, information that allows them to know and understand that the present FST is hidden and the GST will be very, very evident.

I think that we all can learn an important lesson from my experience. We as members of Parliament have a duty to provide our constituents with as much factual information as possible on the GST. Only from this type of knowledge base can they formulate fair, accurate and informative opinions.

* * *

POLAND

Hon. Steven Paproski (Edmonton North): Mr. Speaker, I rise today to bring to the attention of all members and all Canadians the fact that September 1, 1989 marks the fiftieth anniversary of Nazi Germany's invasion of Poland. With this tragic invasion one-half century ago the world was plunged into war.

The memory of the horrifying consequences that followed serve to remind all of us of the importance of maintaining peace in the world. It reminds us also of the priority we must place in offering assistance in resolving conflict among other nations through the UN and whatever other means are available to us.

Canada and its allies came to the defence of the Polish people during the Second World War and we, along with other nations, paid a heavy price. Many of our youth never returned to enjoy the life of prosperity that we have experienced in Canada since then. We have not forgotten those fallen heroes who ensured our continuing freedom.

And we also recognize that the Polish people persevere in their struggle for freedom and democracy 50 years later. Their persistence through the years brought some progress, and we rejoiced with the Polish people when we saw the recent election of Solidarity members to the Government of Poland.

On this the fiftieth anniversary of their loss of freedom we salute the courageous people of Poland who go on with their fight, and we wish them continued success.

* * *

CANADA POST CORPORATION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, on August 1, 1989 it was discovered that 27 bags of mail, some of it postmarked as early as December 1988, had remained undelivered in a privatized postal outlet in Woodbridge, Ontario. Upon learning of this, the Canadian Union of Postal Workers, or CUPW, reported the incident to the media and then of course Canada Post quickly picked up the mail bags and commenced a damage control exercise.

Canada Post management then launched a grievance against the union accusing CUPW of "direct public criticism detrimental to the corporation's legitimate business interests".

This is simply nuts. Canada Post should have thanked the union for reporting the error and should have apologized to the people of Canada for the sloppy service. But, typically of Canada Post, it chose instead to shoot the messenger.

* * *

• (1410)

THE PRESS

Mr. Garth Turner (Halton—Peel): Mr. Speaker, Canada is a single country made up of different cultures in different regions. Sometimes people forget this and try to drive wedges between us.

Yesterday Canadian Press reported that a member of this national House went to Quebec during the recent election campaign. While there he was quoted as saying disparaging, divisive and unsettling things about Quebec and Quebecers. At a time when all regions of the country are feeling political pressures to pull in their own narrow self-interest this was a distressing report.

If anywhere, national unity has to be felt on the floor of the House of Commons. If anyone speaks for Canada it has to be members of Parliament. So I salute the member, my colleague here, for accepting this reality and apologizing to this House.

You are either for Canada or you are against Canada, and that means all of it. Linguistic tolerance, as my colleague has just said, is the cornerstone this country is built on. None of us can afford to forget that, even for a moment.

* * *

SEARCH AND RESCUE

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, the decision last week by this government to move search and rescue from CFB Summerside to Nova Scotia certainly jeopardizes the work of the federal-provincial task force.

When this task force was set up by the federal government to examine the base closure, search and rescue was on the table for discussion. Now the government has chosen to ignore the process which it helped to set up.

I would urge the Department of National Defence to postpone any decision regarding CFB Summerside until

the task force has submitted its report. Otherwise it will continue to undermine and compromise the credibility and the usefulness of this task force.

The people of Prince Edward Island are fed up with this kind of conduct.

* * *

VIA RAIL

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, I too would like to comment on the government's plan to axe the passenger rail service in this country. British Columbians are accustomed to being ignored but we will not take it quietly.

VIA cuts to B.C. include reduction of the Transcontinental, elimination of the winter run on the Jasper–Prince Rupert line, and total disappearance of E & N passenger service on Vancouver Island. The E & N is near and dear to my heart. The island has always been my home. Some 9,000 people from only two federal ridings on Vancouver Island sent in petitions demanding that the E & N be saved; saved, expanded and run efficiently.

If VIA Rail had been running all its lines the way it has the E & N, no one can doubt that VIA management has played directly into the government hands. It has run its service so badly that anyone looking at the books would say "Shut it down".

I suggest this has been done deliberately in order to provide this government with the excuse it has been seeking. Some 9,000 from a small part of Vancouver Island would like to be heard. How many across Canada? British Columbians demand open debate and public hearings to voice their views. The government must listen.

S. O. 31

ATLANTIC RAIL SERVICE

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, in 1981 when the then Liberal government cut back Atlantic service the Conservatives claimed to be outraged. In 1985 they reinstated the Atlantic route and issued a challenge to Atlantic Canadians: "Use it or lose it". Some statement.

Atlantic Canadians took these words to heart and in 1988 close to a million passengers rode the rails in the maritimes. A target was set for the Atlantic route—200,000 riders by 1990. That challenge was met in 1987 when 249,000 Atlantic Canadians rode on the Atlantic route. That challenge was met again in 1988 And again in the first four months of this year that challenge was met.

Atlantic Canadians have lived up to their part of the bargain but the government has not. The Conservative government has once again deceived Atlantic Canadians. It plans to eliminate all train service except what amounts to a thrice weekly tourist run in that region of the country where VIA is the most popular, and that is unacceptable. I challenge this government to remember its commitment to Atlantic Canadians. They have used it. They don't deserve to lose it.

* * *

ARMENIA

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, the Soviet central authorities have clearly demonstrated that they are unable or unwilling to lift a month long Azerbaijani blockade of Karabagh and Armenia. The delivery of desperately needed materials for the reconstruction of the earthquake stricken regions of Armenia has been blocked by Azerbaijani. In March of this year I saw the destruction and the suffering caused by the earthquake, and I believe that manipulating that tragedy for political ends is unacceptable.

I call on our government to bring the present critical situation to the attention of the UN General Assembly and other competent organs of the United Nations, to appeal to the Soviet authorities urgently to lift the blockade of Armenia and Karabagh, to ensure the security of the Armenian people in the region and, lastly, to organize a referendum in mountainous Karabagh in

order to ascertain the majority will of the autonomous region.

* * *

BILL C-21

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, the parliamentary committee studying the unemployment insurance bill, Bill C-21, is now in its fourth week of intensive hearings. As of last night 143 out of the 183 groups appearing before the committee in all provinces have strenuously opposed this bill. That is overwhelming opposition.

These groups have pointed out that the cuts proposed in the bill will leave 775,000 unemployed Canadians with no or reduced unemployment insurance benefits. The only alternative for these Canadians will be provincial or municipal social welfare.

When will the Conservative government start listening to the grassroots of this country and withdraw this bill, send it back to the drawing board and present new legislation which will effectively help, not hurt, Canada's unemployed?

* * *

UNESCO

Mr. John E. Cole (York—Simcoe): Mr. Speaker, this week the Secretary of State for External Affairs, the Secretary of State for Canada, and the Chairman of the Council of Ministers of Education announced that Canada will soon ratify the UNESCO convention on the recognition of studies and diplomas. They also announced that a commission for the international recognition of foreign studies and diplomas will be created to apply the convention in our country.

The main purpose of this convention is to share information about educational, scientific, and technological resources. The commission will collect information on the education systems of other countries and make it available in Canada. It will also promote our education system internationally.

We welcome the efforts of the commission in the work it will carry out in the interests of fellow Canadians of all origins who have completed their schooling elsewhere. Their qualifications are not always fully recognized. The commission's work will help reduce such inequities by providing up to date and objective information to those who are involved in the recognition of foreign academic credentials.

Let us join in congratulating the ministers responsible for this excellent example of federal-provincial collaboration in an initiative that will benefit all Canadians.

ORAL QUESTION PERIOD

[*English*]

VIA RAIL

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister. Yesterday the Minister of Transport arrogantly refused to meet a delegation of this country's mayors to discuss the future of VIA Rail. The Prime Minister also should know that there are reports right across Canada today that at the very time the minister refused to meet our mayors he was at a cabinet meeting recommending the elimination of VIA routes to Sydney, Yarmouth, Edmundston, Sherbrooke, Brantford, Sarnia, London, and Trois Rivieres.

There are also reports that the minister recommended the elimination of the Halifax-Montreal train service. There are documents to the effect that the minister recommended destroying our most famous train service, The Canadian, from Montreal to Vancouver, across the Canadian Shield, through the prairies and across the Rocky Mountains.

I want to say to the Prime Minister, because we get nothing from his minister, that the time for cat and mouse games played with this House of Commons is over. Will the Prime Minister finally tell Canadians, or order his minister to tell Canadians, what cuts are in store for them on the service of VIA Rail and do it before this Parliament finally runs that minister out of town on a rail?

• (1420)

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, first of all, the Leader of the Opposition is wrong. I met the mayors of municipalities twice in June for a long time. I think they had a chance to express exactly what they wanted to express.

As I said yesterday, the Leader of the Opposition speaks out of both sides of his mouth. He said I refused to consult but he asked me to make a decision immediately. I believe we have to make up our minds. I will make a decision on official documents, not the one that the Leader of the Opposition is referring to. I issued no official document about the decision. When it is made I will be pleased to give official documents to the Leader of the Opposition.

Mr. Turner (Vancouver Quadra): Mr. Speaker, returning again to the documents that are abroad in the country today, it is bad enough that the Minister of Transport recommended eliminating VIA Rail service from Winnipeg to Brandon to Regina to Calgary, but he actually recommended that the only train service available from Toronto to Niagara Falls be Amtrak, the American passenger rail service.

How could the Prime Minister continue to justify having in his cabinet a Minister of Transport who recommends that Ontario and the Niagara Peninsula be served only by the American national train service?

[*Translation*]

Mr. Benoît Bouchard (Roberval): Mr. Speaker, any representations the Minister of Transport has to make in the decision-making process are made in Cabinet. That is the procedure and it is the procedure I intend to follow, But I repeat, as I said in English, that I think it is essential, and the Leader of the Opposition knows perfectly well that in the decision-making process, decisions are not made on the basis of leaked documents but on the basis of official documents. And that is what I intend to do. When the decision is made, I will be happy to give him some documents, but these will be official documents.

[*English*]

Mr. Turner (Vancouver Quadra): I think on this issue Canadians have come to the conclusion that enough is enough. American Express is going to run our banks and Amtrak is now going to run our rail service. Canadians are beginning to wonder when the United States postal service is going to deliver our mail. That is what Canadians are waiting for.

[*Translation*]

Mr. Speaker, the Minister mentioned consultation. Yesterday, the Prime Minister said here in the House how important the Finance Committee's hearings were for the future of his sale tax. However, his Minister of Transport, despite what he said today, tells us there will be no public hearings to determine the future of VIA Rail. I therefore have the following question for the Prime Minister: Does he intend to disown his Minister of Transport who, in the past few days, has shown utter contempt for the public consultation process? Will the Prime Minister guarantee that no cutbacks will be imposed on VIA Rail without regular, public consultation with Canadians across the country?

Mr. Bouchard (Roberval): Mr. Speaker, I will repeat what I said earlier. The reference levels for VIA Rail were given to the Department of Transport last April. It is now the end of September, and during that time I met dozens of people. I met mayors, and last week I had a meeting with the provincial ministers. I consulted, and I even had meetings with Members of the Opposition. So in that context, I think that any information that was out there was received. I repeat, a decision will be made as soon as we feel it is necessary to do so and we will communicate that decision, and this will be done, I repeat, according to the normal procedure, Mr. Speaker.

[*English*]

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my question is to the Prime Minister. The 7,000 people who work for VIA Rail, whose livelihoods depend upon VIA Rail, and the millions of Canadians who support a rail passenger service in this country have a right to be heard on the future of VIA Rail.

This question has never been referred to the Commons transport committee for public hearings and it has never been referred to the National Transportation Agency for public hearings.

My question for the Prime Minister is quite simple. Yesterday the Prime Minister himself, on the floor of this House, made a strong case that it was critical in the case of the goods and services tax that the Commons finance committee be heard and that the government give the committee a chance to work and consider its recommendations. If the Prime Minister's principle of yesterday meant anything, will he tell this House today

that the future of VIA Rail will be referred for full public hearings to the Commons transport committee and to the appropriate regulatory agency, the National Transportation Agency? Will he do that today?

Mr. Bouchard (Roberval): Mr. Speaker, I myself met with the committee on transport twice in May or June. The committee can have the discussions it wants. It is up to the committee to do what it wants, but at the same time I repeat what I said, that for six months now we have considered a lot of representations from VIA Rail.

Something is clear. The Minister of Finance, I think quite relevantly, has decided for the best of this country to determine new reference levels for VIA Rail, for a mode of transportation that only 3 per cent of Canadians use. I will make a decision within the fiscal responsibility. I think that is what Canadians want.

Mr. Tobin: Mr. Speaker, "how ironic", in the words of Mayor Elsie Wayne on behalf of 24 mayors who received a collective slap in the face yesterday.

They were left waiting in the Railway Committee Room of the House of Commons for a Minister of Transport and/or a Prime Minister who never showed up. In her words, "how ironic to have a Prime Minister, who on the one hand professes to admire the *glasnost* of the Soviet Union, practising a dictatorial tactic in this country".

My question for the Prime Minister is quite simple. He has not answered it. Yesterday the Prime Minister said it was an important principle of parliamentary democracy that the Standing Committee on Finance of the House of Commons be heard on an important national matter like the goods and services tax before the government acted.

If he is consistent and sincere, will he give a commitment in this House today that the Commons transport committee and the National Transportation Agency will hold public hearings on the future of VIA Rail before this government brings down the axe?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in regard to *glasnost* and *perestroika* I would just tell my hon. friend in regard to VIA Rail and VIA Rail hearings that unless I am badly mistaken he was a member of the government which in 1981 walked in and, without so much as a single hearing, wiped out 20 per cent of VIA Rail service across the country.

Not only did they do it, they did it on a Friday night in the middle of summer. They did not even have the courage to confront the House of Commons. I think this is an absolutely shameful thing to have done.

The Minister of Transport is a model of consultation in a democracy compared with the Liberals.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I too have a question for the Prime Minister in the absence of a Minister of Transport who neither knows nor cares about transportation in this country.

• (1430)

The Prime Minister has just reminded this House of the Liberal tactic of passing an Order in Council in the middle of the summer on a Friday afternoon in order to cut 20 per cent. It was the Minister of Transport's intention, as he told the Transport Committee, to do the same thing in the middle of this summer. Only his dithering has prevented that from occurring. I want to ask the Prime Minister—

Some Hon. Members: Oh, oh!

Mr. Angus: The Tory caucus may think this is funny, but to the seven million Canadians who use VIA Rail it is damned important.

I want the Prime Minister to indicate whether or not the priorities and planning committee of cabinet did consider this document that was referred to in the *Winnipeg Free Press* this morning, and if so, did P and P approve the recommendations to go to cabinet or did it reject them.

Mr. Bouchard (Roberval): Mr. Speaker, I will first of all say to my friend that he knows very well that he asked me not to make a decision this summer. The decision has not been made. It is exactly as he wanted, and he is not happy again. I do not understand.

The process of decision by the cabinet is not made on leaked documents. That is very clear. I believe once again that what my friend wants to know is when the decision will be made. I will be pleased to tell him. But at the time I will give him official documents so the question could be more relevant to me in the House of Commons.

Mr. Angus: Mr. Speaker, we have been asking for those documents for a long time. The people of Canada would like to see them before the decision is made and

before the Order in Council is passed, because at that point it becomes law.

If P and P has not made the decision, perhaps the Prime Minister could explain why over 130 VIA Rail employees were served notice of permanent lay-offs this morning, some of them with over 20 years of seniority and nothing to rely on. Could he explain how that decision is happening in the absence of any kind of cabinet decision?

Mr. Bouchard (Roberval): Mr. Speaker, the decision about VIA Rail has been made within the current operations of the corporation. They are working at the present time. The corporation wants to operate within the reference levels we have given. They did before. Years before there were no decisions as we have to make. They will do it again. Regardless of the fact that we have to make decisions today, those people have been laid off in the regular process of the operations of a Crown corporation. That is all.

Mr. Angus: That is a regular process according to the Tory philosophy, I think.

Mr. Speaker, my final question is to the Prime Minister. Again I want to go back to him because we have a Minister of Finance who is dictating the monetary aspects of VIA Rail. We have a Minister of Transport who is taking the approach of elimination of service. I want him to accept his responsibility. I ask the Prime Minister if, finally, he will appoint a cabinet minister responsible for transportation who believes in rail passenger services, not just in air and road transportation.

Some Hon. Members: Hear, hear!

Mr. Bouchard (Roberval): Mr. Speaker, I think I believe as much as the member believes in rail transportation. But, in my view, it is not necessary to put $700 million into a service which is not used by Canadians. Only the NDP do not worry about where we get the money. You can expend the money. I am trying to see where I would best spend the money for all transportation in this country.

Mr. George S. Rideout (Moncton): Mr. Speaker, my question is to the Prime Minister. This country has had experience with leaked documents. One of them became a Budget.

This leaked document will mean the loss of 180 out of 210 jobs in the city of Moncton. That makes a total of 2,000 people who have lost their jobs in Moncton over the last two years.

This government is interested in freight and not people. They have hearings for CN abandonment of lines, but they do not have them for VIA.

Given the Minister of Transport's refusal to meet the mayor of Moncton yesterday, will the Prime Minister give his commitment for full public transportation committee hearings in Moncton and across this country?

Mr. Bouchard (Roberval): Mr. Speaker, I have already answered that question. I said that I met with the mayors of Saint John and Mississauga. If you are from Ontario, you will know very well that when the mayor of Mississauga has something to say she does not need to say it twice. We understand it very well the first time.

I would like to say as well that I believe consultations have been made. We have to make a decision. The people of New Brunswick, like everyone else in the country, have had the chance to make their views known, and I have taken them into account. Now it is time for a decision.

Mr. Joe Fontana (London East): Mr. Speaker, my supplementary question is to the Prime Minister. Given that two million passengers use VIA in the Windsor-Quebec corridor representing 17 per cent of the travelling public, and given that Sarnia-London represents the gateway to Chicago and the mid-west with its great tourist potential, how can this government with its perverted logic even consider cutting VIA service to the corridor?

Mr. Bouchard (Roberval): Mr. Speaker, very shortly we will know exactly the future of VIA Rail—when the decision will be made. It is just speculation and premature to say what he said.

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my question is for the Prime Minister. We have read that the west is losing The Canadian, our nation's original transcontinental train. We have also read that the Minister of Transport is recommending a so-called luxury service connecting Toronto to Calgary.

Will the Prime Minister tell us today which of his good friends in the private sector will be picking up passengers in Brandon, Kenora, Moose Jaw, Swift Current, Maple Creek, Medicine Hat and many other communities across the west that he is forcing VIA Rail to abandon?

[*Translation*]

Mr. Benoît Bouchard (Roberval): Mr. Speaker, once again, the decisions concerning VIA Rail are made following a normal procedure and certainly not based on documents that no one has seen, leaked documents, documents which, again, have not been submitted to me. In this context, any information of that kind is not serious and is not to be considered.

[*English*]

Mr. Stan Keyes (Hamilton West): Mr. Speaker, I have a supplementary question for the Minister of State for Transport. Does the Minister of State, who is southern Ontario's voice in cabinet, agree with and support the cuts to VIA Rail in an area where the highways and skyways are already congested and clogged? How can she stay in cabinet under these circumstances?

Hon. Shirley Martin (Minister of State (Transport)): Mr. Speaker, as the voice in cabinet for southern Ontario, and as the Minister of Transport has said, we do not comment on leaked documents. When the decisions are made, then I will make my comments.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Transport. Is he awake over there?

This Conservative government said to the people of the Atlantic region regarding rail passenger service, "Use it or lose it". In fact, VIA passenger ridership this year to date is up 30 per cent. The people of the Atlantic have kept their end of the bargain.

My question to the minister is this. Will the minister now keep his end of the bargain with the people of the Atlantic and assure them that there will be no slashing or cutting or gypping of Atlantic Canadians of their rail passenger service?

Mr. Bouchard (Roberval): Mr. Speaker, when I was the Minister of Employment this member was my critic. I think he was a little more serious, because I have already answered that question.

I said, of course, if we consider the philosophy of his party, we will expend all the money we can without giving thought to where we will get the money. We believe Canadians want a system of transportation which is national, which can give the services to Canadians with the affordability we have and in a way that will sustain all transportation systems in the country. That is what we are trying to provide to all Canadians, Mr. Speaker.

• (1440)

Mr. Rodriguez: My supplementary is to the same minister. I recall that when I was the critic for employment and immigration this minister was a lot more serious and thoughtful about unemployment matters.

In view of the fact that Atlantic Canadians are finding themselves increasingly isolated from this government, first with budget cuts, then with GST, with back-benchers who make all sorts of insulting remarks about Atlantic Canadians, Summerside and a whole host of other matters, I want to give the minister this opportunity, to get on the better side of Atlantic Canadians—one more opportunity, one more try. Can the minister stand in his place and assure Atlantic Canadians that there will be no cut-backs in VIA Rail service in the future?

Mr. Bouchard (Roberval): Mr. Speaker, I can assure the hon. member for Nickel Belt that I will try to manage the Department of Transport in a way that respects the reference levels which have been given to me by the Minister of Finance in light of the fiscal reality of Canada. I believe, as a responsible minister, I have to take into account the reality of the economy of Canada. I have to work out any option which will permit Atlantic Canada, central Canada or western Canada to respect that purpose. It is what I will do.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my question is for the Prime Minister. Over the last number of months over 200,000 Atlantic Canadians have signed petitions opposing any cut-back in VIA Rail service. All four Atlantic premiers have said that they are opposed to such cuts.

Yesterday, in a monumental display of ignorance and contempt, the Minister of Transport refused to meet with Mayor Elsie Wayne and 24 other municipal leaders from across Canada to discuss this very serious issue. Since the Minister of Transport says that he has consulted enough, then either the Minister of Transport is

deaf or he is so arrogant that he has refused to listen. Mr. Prime Minister, which is it?

Mr. Bouchard (Roberval): Mr. Speaker, I think once again that it is not arrogant to say that I met Mayor Wayne from New Brunswick. I met also Mayor McCallion from Mississauga. I met a lot of people.

But once again I repeat what I said. I think it is time to make a decision. That is what we will do, Mr. Speaker.

Ms. Mary Clancy (Halifax): Mr. Speaker, given that regional rail service out of Halifax is gone, given that students and seniors and the sick will have no recourse, and given most particularly that this government has wreaked more havoc on Halifax and Nova Scotia than the explosion of 1917, I ask the Prime Minister why has he singled out Halifax and Nova Scotia to be blown off the rails?

Some Hon. Members: Hear, hear!

Mr. Bouchard (Roberval): Mr. Speaker, once again I ask the hon. member to wait for the decision, wait for the decision and she will have the time to make her comments after. But for now, wait, Mr. Speaker. Wait for the decision, please.

* * *

PRESENCE IN GALLERY

Mr. Speaker: I wish to draw to members' attention the presence in the gallery of Mr. Michael Harris, Member of the Ontario Legislature and Progressive Conservative House Leader.

* * *

[*Translation*]

PROPOSED GOODS AND SERVICES TAX

Mr. Douglas Young (Gloucester): Mr. Speaker, several weeks ago, we heard Finance Department officials tell us that the cost of food in Canada could go down by about 2 per cent. We no longer hear such affirmations. Instead, Mr. Speaker, we hear food companies talk about food costs increasing by 10 to 13 per cent, if the GST base is broadened.

My question for the Minister of Finance is this: Given Canadians' concerns and their fierce opposition to any tax on food, can the Minister of Finance tell us today, categorically and clearly, that there will be no food tax in Canada?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I believe that I have commented on that particular question on a number of occasions in the House. I do not propose to do so again.

I would say that the comments the hon. member is referring to about the possible increase in the cost of food that we referred to yesterday in the committee hearings are based clearly on a guesstimate of what costs might be incurred. I think he will understand that there are offsets to those costs because of the fact that food will not be taxable under the proposal, and that in the proposal there will be credits that food companies will receive. So they will see some of their costs reduced as well.

Mr. Young (Gloucester): Mr. Speaker, a lot things are being said about the cost of food in Canada, but particularly my question to the Minister is this. Senior citizens in this country feel that they have been under attack for the last four or five years. There have been deindexation of pensions, increasing costs across the board and a claw-back scheme.

Now it seems to me only reasonable that the minister could soothe those fears by standing in his place and stating very clearly to Canadians that under no circumstances will his government tax food. That is a very simple plea on the part of Canadians who feel they have been under serious attack by this government over the last four or five years. Can he say clearly in the House, no, there will be no tax on food for Canadians, seniors or otherwise?

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I believe that we have responded to the concern that senior citizens have expressed with the proposal that is before the House today. I want to remind the hon. member of the ways in which we have attempted to design the package with the concerns and the interests of senior citizens very much in mind. There is the exemption of basic groceries. There are the other exemptions on medical devices, prescription drugs, health care services, non-profit homemaker services and meals-on-wheels. All of these things were designed and put specifically in the goods and services tax package to directly address the concerns of senior citizens.

Some Hon. Members: Hear, hear!

CANADIAN ARMED FORCES

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, my question is for the Minister of National Defence. It has been five months since the announced closing of CFB Portage. With that closure the minister announced that the department was going to secure private pilot training capability. I would like to know if the minister has acted on that promise, and if he is considering Portage La Prairie to train the defence pilots.

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, I thank the hon. member for his question and also for his assistance in seeking meaningful economic activity in his community.

With respect to the primary training that is presently done at Portage, we sent out a solicitation of interest to some 260 companies around the world, including several in Canada. We received replies and expressions of interest from some 57. Those are being reviewed now. I can inform the hon. member that several of those expressions of interest included use of existing facilities presently in Canada. After the evaluation has been concluded, I am sure that I will be able to announce to the House and to those interested, the decisions that will be made.

* * *

FINANCE COMMITTEE

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I have a rather sensitive question for the Prime Minister of Canada. I want to know whether or not the chairman of the finance committee was stating government policy when he said yesterday, after seniors appeared before the committee, and I quote, "They, seniors, live at a slower pace and they do not spend money in the same sense that you and I do. Older people don't wear out their clothes, don't wear out their furniture, don't run around, and all that costs money".

I want to know whether or not the chairman of the finance committee was enunciating government policy concerning senior citizens who have built this country and who have paid their taxes. Does he owe them an apology? I want him to get up in this House now and say that he apologizes for this kind of a statement.

• (1450)

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, far be it from me to speak on behalf of the chairman of the finance committee.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): The chairman of the finance Committee may or may not have expressed those views. I do not know whether or not he is quoted out of context.

Clearly, as I indicated to a previous question, the concerns of senior citizens have very much been taken into account as we have designed a package for the goods and services tax. I will not repeat the various ways we have done so. But, clearly, if one takes an objective view of the various ways we have responded to those concerns, I think that senior citizens would say this package is a very solid and very sensitive one for the senior citizens of Canada.

Mr. Nystrom: Mr. Speaker, this is not a laughing matter. What I want to know from the chairman of the finance committee is whether or not he was speaking on behalf of the Minister of Finance, whether or not he was speaking on behalf of the Government of Canada when he said that older people don't wear out their clothes, don't wear out their furniture, don't run around, and all that costs money. Will he now apologize to the senior citizens of this country?

Mr. Speaker: The first question was directed to the government. The second question was directed to the chairman of the committee. That, of course, is out of order.

Some Hon. Members: It is not!

Mr. Speaker: If the hon. Minister of Finance wishes to respond, I will hear the minister.

Mr. Wilson (Etobicoke Centre): I believe the question the hon. member was putting was, was the chairman of the finance Committee speaking on behalf of me. The answer is simply no.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, my question is for the Minister of Finance.

Many times, the Finance Minister has not kept his word to Canadian small businesses.

In his White Paper on sales tax reform, the Minister said that a good sales tax system should not impose heavy administrative costs on businesses.

According to the Retail Council of Canada, it will cost $2 billion to administer the new tax, Mr. Speaker.

Is the Finance Minister ready to listen to small businesses and immediately withdraw this planned tax which will really create a nightmare for Canadian small businesses? We will lose 80 per cent of the jobs created by these same businesses.

[*English*]

Mr. Michael Wilson (Etobicoke Centre): Mr. Speaker, no, I certainly will not withdraw the proposal that has been put before the House of Commons. I will also say that there are a number of things that have been missed and have not been emphasized by people who have commented on the impact of the GST on small business.

We have put in streamlined accounting proposals that will address some of the complexities that have been raised by the small business community. The invoices that the small business people use for income tax purposes will also be able to be used without any additional accounting for the GST accounting. There will be a one-page tax form for small business to fill out so that virtually everyone in the country will have a one-page tax form to fill out.

In addition, we are providing for less frequent filing, less frequent calculations of the GST for small business. We are going to provide them with up to a $600 offset fee in order to offset some of those compliance costs.

Mr. Gagliano: Mr. Speaker, I don't think the minister has been speaking lately to his friend John Bulloch. Ninety-seven per cent of Canadian small businesses are against this new sales tax. Why does the minister not listen to the voice of small business in Canada and withdraw the tax immediately before it is too late?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I think you will find that over the past five years the small business community has received tremendous support from this government.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): Small businessmen have said to me that if ever there has been a government that understands and has tried to deal with the problems and the challenges that small business face it is this government. We have done so in many ways, in this and other forms of government policy in the last five years.

Mr. Jim Karpoff (Surrey North): My question is for the Minister of Finance. The GST technical paper has stated that the GST will result in an increase in the price of a $150,000 home of only $480. The Canadian Home Builders' Association has calculated the additional cost to be $3,025. A Vancouver tax consulting firm has calculated the cost to be $11,552, or 24 times the government's estimate.

In view of the obvious inaccuracies in the GST paper, will the minister withdraw the technical paper and tell the Canadian public the real truth about the effect of GST on Canadian homes?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I think anybody who is listening to this debate will realize that someone who says that the impact that we have stated is out by a factor of 24 times clearly will understand that whoever is using that figure is overstating his case by a significant margin.

I want to comment specifically on where the differences are between the home builders and the figures that we have put in the technical paper. The CHBA has used old data which systematically is understating the existing federal sales tax burden in the price of houses now.

Mr. Pickard: Use 1989 figures.

Mr. Wilson (Etobicoke Centre): The hon. member says we should be using 1989 data. We are using the most up-to-date data that is available today. The building association is ignoring the changes that have already taken place in the existing sales tax and they do not assume that they are going to pass on the savings that are there from the existing sales tax in the application of the new sales tax. If those savings are passed on, and I call on the building association to pass on those savings, then those figures are way out of line.

Mr. Karpoff: I think the person who is naive if he makes the assumption that they are going to be passed on is the Minister of Finance, not the home builders association.

My supplementary question is for the Minister of Finance. When factors like GST induced inflation, higher interest rates and increased taxes are all considered, the average down payment on a Vancouver home of $190,000 will be an increase of $3,658, and the average increase in monthly mortgage payments will be $230. How can the minister say that GST will not affect the affordability of housing with those types of figures?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, what puzzles me about the hon. member's questions is that with the statements that he is making he is endorsing the home builders not passing on the savings. Surely, it is up to him to press those home builders to pass on those savings so that the consumers in his riding will benefit from the clear economic benefits that are going to accrue from this sales tax reform.

* * *

DAIRY INDUSTRY

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Agriculture and concerns the threat to the Canadian dairy marketing system that we have in this country.

• (1500)

On January 28, 1988, the government passed an Order in Council to transfer ice cream and yoghurt from the tariff list to the import control list in order to protect this industry.

Given the fact that the United States had a total ban on these products coming into their country from Canada, why did the government choose this method to provide protection to the Canadian supply management and marketing board system?

Now there is a challenge by the United States. There was no provision in the free trade deal to do this. Obviously, it has been challenged by the United States and that has been sustained by a GATT panel.

Can the minister say why that method was chosen, and why he has placed in jeopardy the livelihood of some 34,000 dairy farmers across the country; not only their quotas, but their mortgages, their farms, their whole livelihood? Why has he placed them in jeopardy like this?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I think I answered that question yesterday. The action that was taken to put ice cream and yoghurt on the import control list was done fully consistent with the principles of GATT. There has been a GATT panel ruling on the issue.

I am glad he now acknowledges the fact that this is not a free trade issue but rather a GATT issue. It was the GATT panel that brought down the ruling fully consistent with the GATT process. We intend to fight that issue fully consistent with the GATT process.

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, it is obvious that the approach or the method was wrong because the United States won the first round of that appeal. In view of the fact that we have lost on ice cream and yoghurt and that we were slapped with a pork countervail, will the minister bring the producers and their organizations into future GATT negotiations as active front line participants, rather than trade away their livelihoods in secret negotiations behind closed doors?

Mr. Mazankowski: I appreciate that question, Mr. Speaker. Because the hon. member is usually up to date on agricultural issues, I am surprised that he is not aware of the fact that we established a dairy task force. We are in the process of establishing a poultry task force. The dairy task force has been fully involved in this issue, and they will be fully involved in the action that we take defending their interests at the GATT.

* * *

JUSTICE

Mr. Bill Domm (Peterborough): Mr. Speaker, in June of 1985, Charles Ng escaped from the United States, came to Canada, crossed the border at Windsor, travelled to Calgary, and shot a security guard at a Hudson's Bay store.

In August 31, this past month, the Supreme Court decided not to hear the case of the Supreme Court appeal on Charles Ng's extradition.

I would like to ask the Minister of Justice: Is it now his intention to sign the extradition request, with all due haste, returning Ng to the United States?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I wish to advise the House that counsel for Mr. Ng has made submissions. We will be taking those submissions into account and

discharging our statutory duty as expeditiously as possible.

Mr. Speaker: A single question from the hon. member for Winnipeg St. James.

* * *

CANADIAN ARMED FORCES

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, I have a question for the minister of defence. In the spring budget the federal government started the process of killing Manitoba's status as a defence centre by announcing the closure of CFB Portage and the transfer of military personnel from Winnipeg to Edmonton.

In addition to these cuts which would seriously damage Manitoba's economy, it is now reported that Manitoba's militia headquarters will be transferred to the city of Edmonton.

I would like the minister of defence to confirm today whether the militia staff will indeed be transferred from Winnipeg to Edmonton and, if so, how many jobs will be a lost in the province of Manitoba.

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, if the hon. member will review the White Paper he will find that there were four military regions going to be established in the White Paper because of the total force concept. That means that there will be headquarters in his region.

At the present time consideration is being made as to the relocation of the existing militia headquarters. There will be a militia district maintained. Where the headquarters will be located has not been decided, but there will be four mobile force headquarters established for the Total Force concept.

I ask him to review the White Paper so that he can be more familiar with it.

Routine Proceedings

ROUTINE PROCEEDINGS

[*Translation*]

TABLING OF DOCUMENTS

ANNUAL REPORT OF CANARCTIC LIMITED

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, pursuant to Standing Order 32(2), I have the honour of tabling, in both official languages, the 1988 Annual Report of Canarctic Shipping Company Ltd.

* * *

[*English*]

CANADIAN BROADCASTING CORPORATION

TABLING OF ANNUAL REPORT

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, on behalf of the Minister of Communications I am pleased to table, in both official languages, the annual report of the Canadian Broadcasting Corporation.

* * *

INTERPARLIAMENTARY DELEGATIONS

PRESENTATION OF REPORTS OF COMMONWEALTH PARLIAMENTARY ASSOCIATION

Mr. Girve Fretz (Erie): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House, in both official languages, two reports. The first is the report of the Canadian section of the Commonwealth Parliamentary Association of the official parliamentary delegation which represented Canada at the first annual Commonwealth-wide parliamentary seminar in Lusaka, Zambia, from June 18 to June 30, 1989.

The second is the report of the Canadian section of the Commonwealth Parliamentary Association of the official parliamentary delegation which represented Canada at the twenty-ninth annual regional CPA conference in Calgary and Edmonton, Alberta from July 12 to July 17, 1989.

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

Routine Proceedings

ADVANCE PAYMENTS FOR CROPS ACT

MEASURE TO AMEND

Hon. Doug Lewis (for the Minister of Agriculture) moved for leave to introduce Bill C-36, an act to amend the Advance Payments for Crops Act and the Prairie Grain Advance Payments Act.

Mr. Speaker: Shall the hon. minister have leave to introduce the said bill?

Some Hon. Members: Agreed.

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

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

Mr. Speaker: Perhaps the Hon. Member could tell me why he is seeking the floor?

Mr. Ferguson: I wish to speak to the motion to withdraw this bill, Sir.

Mr. Speaker: Perhaps the hon. member could check with his colleagues, because I think the point about which the hon. member is concerned may come up a little later.

* * *

CANADIAN HERITAGE LANGUAGES INSTITUTE ACT

MEASURE TO ENACT

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)) moved for leave to introduce Bill C-37, an act to establish the Canadian Heritage Languages Institute.

Mr. Speaker: Shall the hon. minister have leave to introduce the bill?

Some Hon. Members: Agreed.

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

CANADA PENSION PLAN

MEASURE TO AMEND

Mr. Bill Kempling (Burlington) moved for leave to introduce Bill C-260, an act to amend the Canada Pension Plan (spousal agreement).

Mr. Speaker: Shall the hon. member have leave to introduce the said bill?

Some Hon. Members: Agreed.

Mr. Kempling: Mr. Speaker, the purpose of this bill is to correct an inequity that has developed in the legislation governing the Canada Pension Plan.

• (1510)

As a result of a decision rendered by the Pensions Appeal Board in the case of *Preece vs. Preece*, many spouses lost the right to the division of pension plan credits in the event of marital breakdown, even though they had been informed that the division of the CPP was an unassignable right.

This bill will restore the law to its original intent before the *Preece vs Preece* judgment.

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

Mr. Speaker: The hon. member for York South—Weston on a point of order.

Mr. Nunziata: Mr. Speaker, I believe I gave notice earlier this day of my intention to table a private member's bill.

Mr. Speaker: I want to apologize to the member for York South—Weston who was overlooked. However we can proceed.

* * *

CRIMINAL CODE

MEASURE TO AMEND

Mr. John Nunziata (York South—Weston) moved for leave to introduce Bill C-261, an act to amend the Criminal Code (protection of the unborn).

Mr. Speaker: Shall the hon. member have leave to introduce the said bill?

Some Hon. Members: Agreed.

Mr. Nunziata: Mr. Speaker, Canada has been without an abortion law since January 1988. For 21 months there has been a legal vacuum in Canada where the innocent unborn have not been afforded the protection of law.

As you know, Mr. Speaker, the last 21 months have caused considerable concern to Canadians across the country with respect to this particular issue. The Supreme Court of Canada has not ruled in a definitive way with respect to this. The government itself has not provided the necessary leadership.

Accordingly I would like to introduce today a bill that would in effect protect the innocent unborn from the moment of conception. This bill would ensure that the unborn of Canada are given the protection of the Criminal Code of Canada from the moment of conception.

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

Mr. Speaker: With the consent of the House I would like to revert momentarily to presentation of reports from committees.

* * *

INTERPARLIAMENTARY DELEGATION

FOURTH, FIFTH AND SIXTH REPORTS OF CANADIAN NATO PARLIAMENTARY ASSOCIATION

Mr. Bob Hicks (Scarborough East): Mr. Speaker, pursuant to Standing Order 34, I have the pleasure to present to the House the fourth, fifth and sixth reports, in both official languages, of the Canadian NATO Parliamentary Association.

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

* * *

ADVANCE PAYMENTS FOR CROPS ACT

MEASURE TO AMEND

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I have two motions both of which have been discussed with the House Leaders of the opposition parties and agreed to. The first one is as follows. I move:

> That the order for second reading and reference to a legislative committee of Bill C-32, an act to amend the Advance Payments for Crops Act and the Prairie Grain Advance Payments Act, be discharged.

Mr. Speaker: Does the Hon. Government House Leader have the unanimous consent of the House to move the motion? The hon. member for Algoma.

Mr. Foster: Mr. Speaker, I would like to comment on this matter because the government House leader has moved to withdraw Bill C-32. The government introduced, as I understand it, a few moments ago—and I objected to it—a new bill to replace Bill C-32. I think it is highly unusual that the government would be introducing a new bill while the other one is still on the Order Paper.

Clearly Bill C-32 is a cobbled up bill. There were mistakes in it. Apparently the government is withdrawing it and replacing it because of technical problems and so on. There is a great ground swell in the country opposing Bill C-32 as well, not just because of the technical flaws in it but because it removes a very important and essential part of the farming support program, the cash advance program which has brought some $25 million to $27 million worth of benefits in interest-free cash advances to prairie farmers which are desperately needed this fall, and similar kinds of support for eastern farmers for corn, grain, and oilseeds.

Although we are glad to be rid of Bill C-32, we are not pleased with the replacement because as far as supporting and assisting Canadian agriculture it is no better than Bill C-32.

Mr. Speaker: I am going to recognize the hon. member who was rising I think on this same point. I must advise the hon. member, though, that this is not the place to argue the merits of the former bill or the one that the Minister of Justice is proposing to introduce. If the hon. member has a point of order of course I will hear it.

Mr. Ferguson: Mr. Speaker, in view of the fact that most of the Canadian harvest is already completed and in the bins and that producers are anxiously awaiting the benefits from the current legislation, I would like to suggest that the minister use the current legislation and sign the agreements with the producer organizations for this year. Then, of course, if he wants to reintroduce a bill later on in the year and through negotiations with the producers bring in something more acceptable than previously tabled here today, I think it would be to the credit of the government.

Most of the western Canadian harvest, however, is already completed. The grain is in the bins; corn and soybean harvests are under way in Ontario at the present time; the tobacco harvest is already completed; the potato harvest has begun in Atlantic Canada, so I think it

is an ill-conceived time to try to set aside legislation that has served Canadian farmers for so many years so effectively.

Mr. Speaker: The Hon. Minister of Justice is rising on the point of order, and of course I am going to hear him. I know the hon. member for Mackenzie wishes to rise, but this is not the place to debate either of the bills. This is just an absolutely procedural move. If the House does not accept it then the House does not accept it, but it is not a place to argue it. The hon. Minister of Justice.

Mr. Lewis: Mr. Speaker, I would simply say that the allegations by both members for Algoma and Lambton—Middlesex are unfounded.

As I indicated when I introduced the motion, it was agreed upon by the House leaders in our meeting yesterday that it would go through on the nod. My relationship with the House leaders for the Official Opposition and the New Democratic Party is such that I just want the House to know that I attribute none of this to the House leader of the Official Opposition. I think these colleagues are off on a frolic of their own.

• (1520)

Mr. Speaker: I indicated that I would hear the hon. member for Mackenzie. I recognize the hon. member and hope that the hon. member will keep in mind that this is strictly a procedural matter. If the hon. member has a point of order which I have to take into account then I of course will do so, but I am not hearing debate.

Mr. Althouse: Mr. Speaker, I wish to bring to the attention of the House and to yourself that there is some question as to the propriety of the method used by the hon. government House leader today.

I think it would have been a more acceptable practice in this House, had he wished to withdraw the bill, if he had done so before he introduced an alternate bill. Today he did it, I submit, backward.

We have given him the right to withdraw the Bill C-32. It is not an initiative that anyone in agricultural Canada approves of. We are happy to see that being withdrawn, but we think he did it backward in introducing an alternate piece of legislation. He should have waited another day for that, at least.

Mr. Speaker: I have heard the hon. member's point. I think it is my obligation now to remind the House that the motion of the hon. Minister of Justice reads:

> That the order for second reading and reference to a legislative committee of Bill C-32, an act to amend the Advance Payment for Crops Act and the Prairie Grain Advance Payments Act, be discharged.

Does the hon. government House leader have the unanimous consent of the House to move the motion?

Some Hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Order discharged and bill withdrawn.

* * *

HOUSE OF COMMONS

REVISION OF STANDING ORDERS

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, this motion has also been discussed with the House leaders of the opposition Parties and has been approved by them. I move:

> That, effective Monday, October 9, 1989, the Standing Orders of the House of Commons be changed as follows:
>
> That Standing Order 104(2) be amended:
>
> 1) by deleting paragraph (c) and substituting the following therefor:
>
> "(c) Communications and Culture;"
>
> 2) by adding immediately after paragraph (p) the following new paragraph:
>
> "(q) Multiculturalism and Citizenship;" and
>
> 3) by relettering the subsequent paragraphs accordingly;
>
> That Standing Order 108(2) be amended by deleting the words "except those set out in sections (3) and (4) of this Standing Order" and substituting the following therefor:
>
> "except those set out in sections 3(b), 3(c), 3(d), 3(e) and (4) of this Standing Order,"; and
>
> That the reference in Standing Order 108(3)(a) to "Communications, Culture, Citizenship and Multiculturalism" be changed to "Multiculturalism"and Citizenship".

Mr. Benjamin: Mr. Speaker, I am wondering if that should not read October 10. October 9 is a statutory holiday. I do not know if you can do any business that day.

Mr. Lewis: Mr. Speaker, I would submit that it is in order to have it read Monday, October 9. The House will not be sitting so I think the question is moot. However, if my hon. friend wants to be here, I am sure he can read the motion at that time.

Mr. Speaker: Does the hon. government House leader have the unanimous consent of the House to move the motion? The hon. member for Kamloops.

Mr. Riis: Mr. Speaker, I just want to take this occasion to say how much we appreciate this motion today. When the decision was to consolidate a number of the standing committees we heard from a number of people who indicated an inclination to have a separate committee as this special order indicates. I want to say to the government House leader that we appreciate bringing forward this motion in terms of recognizing the concerns Canadians brought to the government's attention.

Mr. Speaker: Does the hon. government House leader have unanimous consent of the House to move the motion?

Some Hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

PETITIONS

VIA RAIL

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have the honour and privilege to present a petition signed by a number of Canadians in the London, Woodstock and Windsor areas of the province of Ontario.

It basically is in support of continued VIA Rail service and it concludes: wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to maintain, improve and modernize VIA rail service in those areas of the country where it can provide a more rapid, economical, safe, convenient, environmentally sound, and energy efficient alternative to other means of transportation.

[*Translation*]

OPPOSITION TO PROPOSED GOODS AND SERVICES TAX

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, it is my duty to present a petition on behalf of Canadians, including many residents of Ottawa—Vanier, who reject the new sales tax on goods and services which the Conservative Government intends to introduce.

Canadians object to a tax that will raise taxes, increase inflation and interest rates and cut jobs. Canadians, in my riding especially, object to this invisible tax that will bring chaos to business and create an administrative nightmare for small businesses. Canadians object to this new Mulroney tax that will hit essential services.

Mr. Speaker, I have a large number of constituents who want to table this petition, and I do so, sadly, on their behalf.

[*English*]

VIA RAIL

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I have the honour to present 43 names on a petition from the citizens of Belleville who state that whereas the government has decided to eliminate many of VIA Rail's existing routes and thousands of jobs; that Canadian people deserve a high quality passenger rail service, including modernized equipment throughout the network and a rapid rail system for the corridor, and that rail passenger mode is the safest and most environmentally friendly mode of travel, the petitioners state that the annual subsidies provided by the Government of Canada to VIA Rail are not disproportionate to subsidies required for highway infrastructure or for airports, that many rural communities rely exclusively on rail passenger service, and that the tourism industry in Canada relies on rail passenger service. We have had this since 1885 and it has been an integral part of Canada's public transportation network.

They call on Parliament to urge the Government of Canada not to cancel in whole or in part rail passenger services throughout this country.

PROPOSED GOODS AND SERVICES TAX

Mrs. Sheila Finestone (Mount Royal): Speaker, I have a second petition relating to the goods and services tax, signed by petitioners from Montreal, stating that the Conservative federal government has already imposed 31 new taxes or tax increases on Canadians, increased the manufacturers sales tax from 9 per cent to 13.5 per

cent, and now wishes to add a general 9 per cent tax on goods and services. This new tax will be hidden from Canadians and applied to everything they buy, virtually.

The imposition of this new general tax will cause serious and unfair hardship to low and middle income Canadians. They therefore suggest that this will be an onerous burden on small businesses and all the other causes and ask us to oppose this tax with vigour. I therefore deposit these for your consideration.

VIA RAIL

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I rise today to present a petition on behalf of a number of Canadian citizens who call upon Parliament to urge the government not to cancel, in whole or part, rail passenger services in Canada. This petition has been duly certified and signed.

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, I have the honour and the duty to submit two petitions, which have been certified correct, from Canadian citizens from St. Thomas, Brantford, Windsor, London, Toronto, Ottawa, and a host of other places in southern Ontario, in which they petition this House.

Whereas the government has failed to provide the resources necessary to fulfil its promise of improved passenger rail service, the undersigned, your petitioners, pray and call upon Parliament to maintain, improve and modernize VIA Rail service. As duty bound, your petitioners will continue to pray.

• (1530)

REVISION OF EXTRADITION LAWS

Mr. Doug Fee (Red Deer): Mr. Speaker, I have some petitions today on the same topic, all of which have been certified correct according by the clerk pursuant to Standing Order 36. The first group of petitions containing 3,184 signatures of western Canadians is joined with a second group which is also signed mainly by western Canadians but does include some people from Ontario. It contains an additional 4,163 signatures.

These 7,347 Canadians all express concern that Canada not become recognized as a haven for foreign fugitives and call upon the Government of Canada to revise the extradition laws which would allow the Minister of Justice to order the extradition of fugitives either immediately or after they have been dealt with fully by the Canadian penal system.

If my addition is correct, these signatures bring the total to 79,778 Canadians who have signed petitions and submitted them to the House of Commons.

VIA RAIL

Mr. Maurice A. Dionne (Miramichi): Mr. Speaker, I have the honour and duty to present two petitions today that have been certified by the clerk of petitions. These petitions are in protest against the mindless activities of the government to decimate VIA Rail.

RCMP DRESS CODE

Mrs. Barbara Sparrow (Calgary Southwest): Mr. Speaker, I have the honour under the provisions of Standing Order 36 to present today many petitions. In fact, I have hundreds of petitions containing the signatures of over 9,000 people from Calgary in particular who want to retain the uniformity of the RCMP dress uniform.

These petitioners say that the RCMP has a long and honourable tradition, known and admired around the world. They are not discriminating on race, national or ethnic origin, colour, religion, sex, age or mental or physical disability. The uniform of our RCMP is part of our Canadian heritage and our Canadian culture. It must be protected. It must be preserved.

These petitioners humbly pray and call upon Parliament to preserve the distinctive heritage and tradition of the RCMP by retaining the uniformity of the dress code with all the recognized colour and trappings that have such great historical value for our country.

All these petitions have been certified.

PROPOSED GOODS AND SERVICES TAX

Mr. Maurice Foster (Algoma): Mr. Speaker, I have the honour to present a petition on behalf of several dozen Canadians who are very concerned about the goods and services tax. They point out that 31 new taxes have been imposed by the government and that the manufacturers' sales tax has been increased from 9 per cent to 13.5 per

cent. They also point out that the tax will be hidden and that it will be very unfair to low and middle income Canadians. It will impose an onerous burden on small business. They humbly pray and call upon Parliament to reject the proposed goods and services tax which this government is trying to impose on Canadians.

VIA RAIL

Mr. Derek Blackburn (Brant): Mr. Speaker, I, too, rise under the provisions of Standing Order 36 to present a petition signed by several persons from southwest Ontario who are condemning the government for the proposed VIA Rail cuts. They call upon the government not only to restore service but to increase service in an age that is demanding safer and more environmentally friendly modes of transportation, particularly in a part of Canada, southwestern Ontario, where the highways and the airways are becoming increasingly clogged by other modes of transportation.

This petition has been duly certified as correct.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I also rise under the provisions of Standing Order 36 to present a petition to this House from citizens of Toronto, London, Waterloo and Woodstock in the province of Ontario.

These petitioners point out this Conservative government has failed to keep its promise to improve rail passenger service throughout Canada and, in fact, it has gone further in its moves to cut rail passenger service. This is anticipated any time now.

Therefore, these people who have signed the petition call upon Parliament to maintain, improve and modernize VIA Rail service in those areas of the country where it can provide a more rapid and economic, safe, convenient, environmentally sound and energy efficient alternative to other forms of transportation.

PROPOSED GOODS AND SERVICES TAX

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Mr. Speaker, I have the honour and the duty to present to Parliament on behalf of concerned citizens from my area and the surrounding area a petition denouncing the despicable goods and services tax which this Conservative government will be trying to ram through this House.

As this is an unfair tax, it will be relentlessly opposed in the weeks and months ahead as these petitioners want us to do.

[*Translation*]

Mr. Fernand Robichaud (Beauséjour): Mr. Speaker, it is my duty as well to present to this honourable House a petition signed by Canadians from the Windsor area who, like my constituents in Beauséjour; object to the Government's tax proposal.

[*English*]

The petitioners fear and are concerned that this new invisible tax will create hardship for Canadian families and will also be an additional burden to small businesses.

[*Translation*]

VIA RAIL—OPPOSITION TO BUDGETARY CUT-BACKS

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, I have a petition which conforms to the requirements under Standing Order 36 and concerns the Tory Government's proposed cutbacks at VIA Rail.

[*English*]

Mr. Speaker, the petitioners humbly pray and call upon Parliament to urge the Government of Canada not to cancel in whole or in part rail passenger services in Canada.

RCMP DRESS CODE

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I wish to present a petition regarding the RCMP dress code signed by citizens of the riding of Carleton—Gloucester and duly certified by the clerk of the House of Commons.

The petitioners request the Canadian Parliament to preserve the distinctive heritage and tradition of the RCMP by retaining the uniformity of the dress code with all the recognizable colour and trappings that have such great historical value for this country.

GOODS AND SERVICES TAX

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I have the honour and privilege today to present a petition duly certified by the clerk of the House of Commons. This petition is signed by several hundred members of the community of Windsor, Ontario which is my adopted city.

They pray that the government change the proposed terms of the goods and services tax.

VIA RAIL

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I have a petition with respect to the proposed changes to VIA Rail. It is a certified petition signed by the proper number of people. This was presented to us from the good citizens of Belleville, Ontario, while we were on our task force on VIA Rail.

PROPOSED GOODS AND SERVICES TAX

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I have the pleasure, honour and duty to present a petition certified according to the accepted rules and procedures. It is on the insensitive goods and services tax, another tax on top of all the other horrendous and insensitive taxes imposed by this government on Canadians. It is one that is particularly harsh,

[*Translation*]

I table this petition for your consideration.

[*English*]

VIA RAIL

Mr. Joe Fontana (London East): Mr. Speaker, it is an honour for me to present to this House petitions from senior citizens, students, tour operators, people in the hospitality industry, who demand that VIA be kept intact so that this country can have a national passenger rail service.

PROPOSED GOODS AND SERVICES TAX

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I am very pleased and honoured to stand in the House today. I have three petitions to present. The first one has 296 signatories who strongly oppose the imposition of a goods and services tax which they feel is an unprecedented tax grab from the pockets of Canadians and will hit them not only with higher taxes but with higher inflation, higher interest rates and higher unemployment.

Therefore, the undersigned petitioners humbly pray and call upon Parliament to reject the proposed goods and services tax.

My second petition has 183 signatories and it concerns music education. These petitioners feel that a sales tax on music education will hurt the average family for whose music education would become too costly. The music educators are active participants in the education departments of every province in Canada and their knowledge and expertise prepare students with qualifications.

Therefore, the undersigned petitioners humbly pray and call upon Parliament to consider music studies as an educational process and therefore exempt music education from the proposed sales tax.

• (1540)

VIA RAIL

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, my third petition contains 45 signatories. It is protesting the proposed cuts to VIA Rail. These petitioners are from the area of Belleville, Ontario. They feel that the rail passenger services have been an integral part of Canada's public transportation and humbly pray and call upon Parliament to urge the Government of Canada not to cancel rail passenger services in Canada.

PROPOSED GOODS AND SERVICES TAX

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I have the honour and duty today to present a petition on behalf of the citizens of Canada who oppose the government's goods and services tax. This tax will create a burden on small and medium-sized businesses, senior citizens, all home-owners, tenants, low and middle-income Canadians and many other sectors of our society.

These Canadians are asking this Parliament to reject this unfair tax.

VIA RAIL

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, pursuant to Standing Order 36, I too have a petition which has been duly certified correct by the clerk of petitions. It relates to the VIA Rail service in this country.

It has been signed by a group of petitioners who are concerned about the fate of VIA Rail under this government. They want no part of cuts. They want the service retained and they are urging all of us and particularly the government of the day to put a stop to any notion of cutting back on passenger rail service in this country.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I have a petition signed by some 46 people from southwestern Ontario who point out that the Government of Canada has failed to provide the necessary resources to fulfil its promise for improved passenger rail service to the region. The government's deregulation of air passenger service has dramatized this even more by pointing out

the need for safe, convenient, economical, rapid and environmentally sound alternative passenger service.

The petitioners call upon the government to improve and modernize VIA Rail in the area to provide just those kinds of services.

PROPOSED GOODS AND SERVICES TAX

Mr. John Nunziata (York South—Weston): Mr. Speaker, it is my duty as well to join with my colleagues to present a petition to this House with respect to the government's intention to impose a goods and services tax. Hundreds of thousands of Canadians oppose this particular tax and it is with pleasure that I present a petition on behalf of a significant number of Canadians who wish to express their opposition to the tax, and to request the Government of Canada to come to its senses and to rescind this particular tax.

[*Translation*]

VIA RAIL—OPPOSITION TO BUDGETARY CUT-BACKS

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, it is my duty to present a petition, in accordance with Standing Order 36, signed by Canadians who object to the cutbacks at VIA Rail, for the simple reason that everywhere else in the world tremendous sums have been invested to update this transportation mode, while we here in Canada are intent on getting rid of it.

It is with feelings of great frustration that people wonder why, at a time when this means of transportation is expanding to an incredible extent everywhere else in the world, we are going in the opposite direction.

[*English*]

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): I have the honour and privilege to present a petition pursuant to Standing Order 36 from citizens from Belleville to Scarborough, Ontario, who are telling us, among other things, that rural communities rely exclusively on passenger rail service. They request that we on this side of the House urge the Government of Canada not to cancel, in whole or in part, rail passenger services in Canada.

[*Translation*]

OPPOSITION TO PROPOSED GOODS AND SERVICES TAX

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, I have a second petition, from a small business that is not in my riding but in the neighboring riding, represented by a Government Member, namely Ahuntsic.

The small business expects problems, serious and unfair hardships that this goods and services tax will impose on it and its customers ask us to have Parliament reject this new goods and services tax.

[*English*]

PROPOSED GOODS AND SERVICES TAX

Mrs. Diane Marleau (Sudbury): Mr. Speaker, I would like to present another petition from the residents of my riding of Sudbury. They wish hereby to register their very strong protest against the proposed goods and service tax. They feel that this proposed tax is unfair, unjust, and will certainly impose a very serious burden on them.

This petition has been registered with the clerk of petitions.

VIA RAIL

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I rise pursuant to Standing Order 36 to present a petition on behalf of Canadians who are concerned about the loss of their rail service. Bonavista—Trinity—Conception lost its rail passenger service in 1967 and indeed, Newfoundland lost the whole Newfoundland railway one year ago. I can certainly empathize with them.

This petition has been duly certified by the clerk and your petitioners humbly pray and call upon Parliament to urge the Government of Canada not to cancel in whole or in part rail passenger service in Canada.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I too have the pleasure to rise in the House and present a petition that has been certified by the clerk, and signed by 128 persons, mostly residents of the riding of Kingston and the Islands, who protest the closing of VIA Rail in whole or in part and call upon this government to cease and desist from such a policy.

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, I, too, rise today pursuant to Standing Order 36 to present a petition on behalf of the people of Canada as it relates to the destruction of VIA Rail. For those members in the House who are not aware, Kenora—

Rainy River has a large history of railroaders because of the railways that run through the northern Ontario district. They are very worried that not only will it reduce service and reduce jobs for the people of Kenora—Rainy River but they are also very disturbed that the deficit will increase because of the fact that it will cost more to replace those jobs with other programs than it will to maintain the service that we have now.

I present this to you and humbly hope that the government will pay attention to what Canadians are saying.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my honour to present a petition on behalf of a number of people from Kamloops, British Columbia, who want to draw to the government's attention their disappointment that the government plans to reduce VIA Rail service. It means that a number of jobs will be lost in Kamloops and 55 businesses will be adversely affected as a result of these cutbacks.

They are asking the government to reconsider the decision and upgrade VIA Rail as opposed to downgrading it.

PROPOSED GOODS AND SERVICES TAX

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I have petition on another matter, the general goods and service tax. It is from people from Kamloops, Chase, Barrière, Little Fort and a variety of places, who point out their concern that this tax will be applied to reading, hair cuts, diapers, coffins, home heating fuels, and many other areas which will increase the cost of living to ordinary Canadians. They point out that it is a regressive form of taxation and they ask the government to reconsider and abandon the pursuit of the general sales tax.

VIA RAIL

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, it is my pleasure to rise under the provisions of Standing Order 36 and present to the House three petitions calling upon Parliament to maintain, to improve, and to modernize VIA Rail in those areas of the country where it can provide a more rapid, economical, safe, convenient and environmentally sound and energy efficient alternative to other means of transportation.

FORESTRY RESOURCE DEVELOPMENT AGREEMENT

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): I have a fourth petition, duly signed and authorized being from petitioners of the province of British Columbia who are requesting the government to continue the Forestry Resource Development Agreement currently in effect in British Columbia.

The petitioners call upon the Parliament of Canada to renew this important agreement with British Columbia, therefore providing for renewed commitment to restocking our forest lands, advancing forestry research, promoting silviculture and assisting the forest industry in developing the new products and markets that will provide forestry jobs for the future.

VIA RAIL

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, it is my duty and pleasure to rise under the provisions of Standing Order 36 to present two petitions signed by people from Surrey, British Columbia; Saskatoon, Saskatchewan; London, St. Jacob's, Waterloo, Kingston and other Ontario communities. These people are calling on the government to remember the heritage of its party, which includes the building of the railways at the time of Confederation to tie this country together, and not to turn its back on that heritage but to introduce into this country a modern, up–to–date transportation system which shows that the government is taking seriously what it is saying about sustainable development in this country in the future.

• (1550)

Mr. David D. Stupich (Nanaimo—Cowichan): It is my privilege to present a petition duly certified by the clerk. It is supported by some 9,000 people in two ridings on Vancouver Island who have signed petition cards, supported also by motions passed at every municipal council meeting on Vancouver Island. They urge the government to live up to its promises to maintain and to improve VIA Rail and to, at the very least, hold public meetings before any changes are made.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, I rise to discharge a duty and present this petition to this House of Parliament on behalf of many concerned Canadians, like residents of Winnipeg North. They are concerned that with the cutting of the VIA Rail passen-

ger service we will destroy a cohesive link from coast to coast. The signatories to this petition, certified by the clerk, do humbly pray that this Parliament call upon the government not to cut in whole or in part VIA Rail passenger service in Canada.

PROPOSED GOODS AND SERVICES TAX

Mr. Jerry Pickard (Essex—Kent): I have the privilege to rise today with a petition from people in my riding of Essex—Kent. They are very concerned about the position that has been taken with regard to the goods and services tax and the economic problems it will cause the people of Canada, as well as the disruption of business. They are very concerned about the total impact of it and humbly ask the government to reconsider its position.

VIA RAIL

Mr. Lyle Vanclief (Prince Edward—Hastings): I rise today to present a petition from many of the residents of my constituency, Prince Edward—Hastings. They call upon the government not to cancel in whole or in part rail passenger service in Canada. I am pleased to say that this is part of a number of now over 5,000 signatures that I have received in my riding alone calling upon the government to take a more serious and real look at rail passenger service in Canada.

Mr. Bob Wood (Nipissing): I rise today under Standing Order 36 to present a petition certified correct by the clerk on behalf of residents of Ontario and namely the village of Wellington. The petition deals with the elimination of VIA Rail, their existing routes and thousands of jobs. The people of Wellington urge the Conservative government not to cancel in whole or in part rail passenger service in Canada.

RCMP DRESS CODE

Miss Deborah Grey (Beaver River): I rise pursuant to Standing Order 36 this afternoon and have the honour to present a petition signed by 146 Canadians, mainly from the city of Calgary and surrounding towns.

The RCMP is a distinctive Canadian institution and these petitioners are asking Parliament to preserve the unique heritage and tradition of the RCMP and to keep it truly uniform.

They are opposed to the proposed changes in the RCMP dress code.

VIA RAIL

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I rise under Standing Order 36 to present a petition, endorsed by the clerk of petitions, from a number of Canadians obviously possessed of a great deal more vision and foresight and intelligence than can be found from time to time on the benches opposite.

They are calling upon Parliament to maintain, improve and modernize VIA Rail service in such areas as Edmonton, which is about to be kicked in the teeth by this government again with its VIA Rail cut-backs, such places as Calgary that similarly will be kicked in the teeth by the government with its cut-backs, and in other such centres of Canada that are, as we increasingly see, so terribly ill-served by this government.

Mr. Jim Karpoff (Surrey North): I am honoured to be able to present, pursuant to Standing Order 36, a petition signed by a number of Canadians asking that VIA Rail be modernized and improved so that a fast, economical, safe and convenient transportation system can be provided for all Canadians.

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, it is my honour and duty to rise today to present a petition on behalf of a number of Canadians who are concerned about the future of VIA Rail. They call on the government to maintain, improve and modernize VIA Rail service throughout this country. Canadians are speaking. I do hope that the government is listening.

Mr. Cid Samson (Timmins—Chapleau): It is also my pleasure to rise to present a number of petitions signed by residents from the Ottawa, London, Windsor, and St. Thomas area. They humbly pray that the government will listen to their concerns about the cuts in the VIA Rail. They not only ask the government to stop these cuts but to improve the service.

PROPOSED GOODS AND SERVICES TAX

Mr. Cid Samson (Timmins—Chapleau): I also have a petition from the residents of my riding in Timmins—Chapleau concerning the goods and services tax. They humbly pray that the government will cease with the proposal which taxes diapers and coffins, therefore taxing Canadians from the cradle to the grave.

BRANCH LINE ABANDONMENT

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, I have the distinct honour and privilege today to present a large number of petitions certified to be correct by the clerk of petitions. These are petitions signed by most of the citizens of Big River, Saskatchewan, who protest this government's termination of the branch line rehabilitation program and call on the government to renew its commitment to the desperately needed upgrading of the Big River subdivision, a commitment made to the community of Big River prior to the 1984 election and withdrawn shortly thereafter.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, the following questions will be answered today: Nos. 97, 100, 114 and 115.

[*Text*]

REQUEST FOR AN INVESTIGATION OF THE ACTIVITIES OF THE UNITED PARCEL SERVICE OPERATING IN BRITISH COLUMBIA

Question No. 97—**Mr. MacWilliam:**

Has the government taken any action to investigate the activities of United Parcel Service operating in British Columbia?

Hon. Otto John Jelinek (Minister of National Revenue): As a result of inquiries regarding United Parcel Service operating in British Columbia, I immediately ordered an investigation into this matter. The review began on May 23, 1989 and is now complete. The results indicate that UPS is meeting Customs requirements and I am satisfied with UPS's efforts to comply with the laws and regulations for which I am responsible.

OSCAR AWARDED TO THE NATIONAL FILM BOARD

Question No. 100—**Mr. Kaplan:**

As of June 6, 1989, with regard to the Oscar awarded earlier this year to the National Film Board (a) is the government aware of its location and, if so, what is it (b) do the government and the National Film Board have plans for its retention and display and, if so, what are they?

Hon. Marcel Masse (Minister of Communications): (a) The special Oscar presented to the National Film Board is on display in a specially designed cabinet which exhibits all its awards, in the main entrance of the Norman-McLaren Building at 3155, Côte-de-Liesse, Ville Saint-Laurent.

(b) In addition, as part of 50th Anniversary activities, the Oscar has been displayed at certain events outside of NFB Montreal: 1. At the Canadian Library Association Conference in Edmonton from June 21 to 25; 2. At the AMTEC (Association of Media and Technology in Education) in Edmonton from June 18 to 21.

A Canadian tour will be organized from October 1989 to January 1990. Also, the Oscar will be placed in an appropriate area at the House of Commons from May 1990 to December 1990.

PRINCE CHARLES PROJECT IN TORONTO

Question No. 114—**Mr. Karpoff:**

As of June 20 1989, has money been recovered by Canada Mortgage and Housing Corporation relating to expenditures on a Toronto housing project known as the Prince Charles project and, if so (a) in what amount (b) what penalties are provided for in regard to monies that must be so recovered?

Hon. Alan Redway (Minister of State (Housing)): (a) and (b) Canada Mortgage and Housing Corporation wrote to the National Council of Jewish Women (Toronto) on May 31, 1989 requesting a revised statement of final costs to reflect the sales tax rebate received in the project's capital costs. Audit final costs are required so that CMHC may determine the final amount of federal assistance to be paid out, as it is based on eligible capital costs. The sales tax rebate is not money owed to CMHC, but rather funds to be used for the benefit of the project. It is anticipated that a reduction of the eligible capital costs will also result in a reduction in the level of federal assistance provided.

CMHC continues to press for this statement and for a meeting with the Board of Directors to ensure these funds are used properly.

PRINCE CHARLES PROJECT IN TORONTO

Question No. 115—**Mr. Karpoff:**

Is CMHC conducting investigations into possible criminal activity, in the Prince Charles project, involving (a) granting of management contracts (b) rebating of provincial sales tax (c) rebating of federal sales tax (d) other areas and, if so, what were these activities?

Hon. Alan Redway (Minister of State (Housing)): (a), (b), (c) and (d).

Canada Mortgage and Housing Corporation is conducting an internal investigation into all aspects of its review and approval of this project. CMHC has indicated, in writing, to all those conducting their own inquiries that it is prepared to co-operate fully with them. This includes the Ontario Provincial Police, who will be looking at any possible criminal charges.

* * *

[*English*]

STARRED QUESTION

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, would you be so kind as to call Starred Question No. 89.

[*Translation*]

Mr. Deputy Speaker: The questions enumerated by the Hon. Parliamentary Secretary have been answered.

[*English*]

Mr. Cooper: Mr. Speaker, due to the length of the response I ask that it be printed in *Hansard* as if read.

[*Text*]

SALE OF CROWN CORPORATION

*Question No. 89—**Mr. Karygiannis:**

1. Does the government have in its possession the 1986 Agreement of Sale of CN Express to Route Canada Inc. and, if so, is it prepared to table the document and, if so, on what date?

2. Is the government prepared to provide an undertaking that the future sale of Crown Corporations, such as Air Canada, will not go ahead until a full determination of their true market value is arrived at by an impartial appraiser?

Mr. Albert Cooper (Leader of the Government in the House of Commons): I am informed by Transport Canada and the Office of Privatization And Regulatory Affairs as follows:

1. There is no agreement of Sale of CN Express to Route Canada Inc.

In 1983 Canadian National Railway Company merged CN Trucking and CN Express into a company with the legal name Transport Route Canada Inc. In 1986 Transport Route Canada Inc. was sold to Route Canada Holdings Inc. The Agreement of Purchase and Sale is considered to be a commercially confidential document and neither of the companies involved is prepared to make it public.

2. As a normal part of any privatization undertaken directly by the government, financial advisors are engaged to provide expert commercial advice with a view to protecting the government's financial interest. In some privatizations, notably those of Canadair, de Havilland, Teleglobe Canada, the Canada Development Corporation and the recently completed sale of the government's shareholding in Air Canada, the government also benefitted from the advice of the Board of Directors of the Canada Development Investment Corporation (CDIC) whose members are drawn from the private sector and have broad experience in commercial transactions.

That same prudent course will be followed in the proposed divestiture of Nordion International Inc. and Theratronics International Limited, for which divestiture legislation is currently before the House. Wood Gundy Inc. has been engaged by CDIC as financial advisors to the government. The CDIC Board of Directors will provide their recommendations to the government as well.

[*English*]

Mr. Cooper: I ask that the remaining questions be allowed to stand.

Mr. Deputy Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, notices of motions for the production of papers Nos. P-4, in the name of the hon. member for Nickel Belt and P-5, in the name of the hon. member for Eglinton—Lawrence are acceptable to the government and the documents are tabled immediately.

Motion No. P-4

That an Order of the House do issue for copies of all documents and impact studies for *Success in the Works*—A Policy Paper—A Labour Force Development Strategy for Canada.

Motion No. P-5

That an Order of the House do issue for copies of all impact studies prepared for the Department of Employment and Immigration regarding the effects of the reallocation of 1.3 billion in Unemployment Insurance expenditures, and specifically regarding the number and provincial break-down of Unemployment Insurance recipients who will no longer qualify for benefits, the number and

provincial break-down of Unemployment Insurance recipients whose benefit periods will be reduced, the amount of money saved thereby, both nationally and by province, and the funds to be allocated in each province as a result of the reallocation.

Mr. Deputy Speaker: Is it the pleasure of the House that notice of motion No. P-4 for the production of papers be deemed to have been adopted?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: Is it the pleasure of the House that notice of motion No. P-5 for the production of papers be deemed to have been adopted?

Some Hon. Members: Agreed.

Mr. Cooper: Mr. Speaker, would you be so kind as to call notices of motions for the production of papers Nos. P-12, in the name of the hon. member for Kingston and the Islands and P-13, in the name of the hon. member of Okanagan—Shuswap.

Motion No. 12

That an Humble Address be presented to Her excellency praying that she will cause to be laid before this House copies of Cabinet directives issued by the government in July 1981 and July 1988 which directed the Farm Credit Corporation to provide long-term mortgage credit to Canadian farmers on a cost-recovery basis.

Motion No. 13

That an Order of the House do issue for copies of all documents and correspondence pertaining to the decision by Revenue Canada (Customs and Excise) to suspend the renewal of the customs brokerage licence of United Parcel Service operating in the Province of British Columbia.

Mr. Deputy Speaker: Notice of motion for the production of papers P-12, in the name of the Hon. Member for Kingston and The Islands.

Mr. Cooper: Mr. Speaker, the papers requested are cabinet confidences that cannot be laid before the House and I, therefore, ask the hon. member to withdraw his motion.

Mr. Milliken: Mr. Speaker, the documents requested are for directives of cabinet issued to a Crown corporation which, under the statute that permits such directives, in my view ought to be made public. While the cabinet document upon which the recommendation would be based, I would agree, is a cabinet confidence, the other documents, in my view, are not or ought not to be. I would request, therefore, if the Parliamentary Secretary will not accede to my request, that the motion be transferred for debate.

Mr. Deputy Speaker: Transferred for debate pursuant to Standing Order 97(1).

Notice of motion for the production of papers No. P-13, in the name of the Hon. Member for Okanagan—Shuswap.

• (1600)

Mr. Cooper: Mr. Speaker, the documents requested cannot be released pursuant to Sections 21(b) and 21(c) of the Access to Information Act. I, therefore, ask the hon. member to withdraw his motion.

Mr. MacWilliam: Mr. Speaker, with your leave, the information requested pertains to the decision by Revenue Canada, Customs and Excise, to suspend the renewal of the customs brokerage licence for United Parcel Service, the reason for suspension apparently being some rather questionable activities of this major international corporation. In light of the decision made by representatives of Revenue Canada and in light of the impact that the refusal of the government to honour this request has brought upon the House, I would ask with your leave, Your Honour, that this request be transferred to Private Members' Business so that it may be debated further.

Mr. Deputy Speaker: Transferred for debate pursuant to Standing Order 97(1).

* * *

MOTION TO ADJOURN UNDER S. O. 52

VIA RAIL

Mr. Deputy Speaker: The Chair has received a notice of motion for an emergency debate from the Hon. Member for Thunder Bay—Atikokan.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, pursuant to Standing Order 52, I have advised you in writing that I seek leave to move that the House adjourn for the purpose of debating an important and urgent matter, namely the imminent dismantling of VIA Rail.

In my letter to you, Mr. Speaker, and I am not going to read it, I make the point that the Minister of Transport has indicated that there will be no public hearings. He has refused to meet further with delegations from Atlantic Canada, Quebec and Ontario. We know that the cabinet will, within days if not hours, be asked to consider the recommendations coming from either the

Minister of Transport or the Planning and Priorities Committee of cabinet, and I would ask that you grant us leave to hold an emergency debate in order that the House, on behalf of the people of Canada, can provide specific input to the cabinet as to the decisions that it may make with regard to the future of VIA Rail.

Mr. Deputy Speaker: The Chair has considered the matter raised by the Hon. Member for Thunder Bay—Atikokan. The Chair believes that it is a most serious and important matter. However, the Chair does not believe that at this time it meets the requirements of the standing order.

GOVERNMENT ORDERS

[*Translation*]

MULTICULTURALISM AND CITIZENSHIP DEPARTMENT ACT

MEASURE TO ESTABLISH

The House resumed from Thursday, June 22, consideration of the motion of Mr. Mulroney that Bill C-18, an Act to establish the Department of Multiculturalism and Citizenship and to amend certain Acts in relation thereto, be read the second time and referred to a legislative committee.

Mr. Gauthier: Point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Ottawa—Vanier (Mr. Gauthier) on a point of order.

Mr. Gauthier: Mr. Speaker, I have a point of order. The debate on Bill C-18 has taken some of the House's time so far and seven hours and five minutes of debate remain before we use up the eight hours allowed in the Standing Orders. After that, each Member has ten minutes to speak. In order to speed things up and to give more members of my party an opportunity to speak and take part in the debate, I would like to tell the House that we would want to divide our time occasionally, when our turn comes, from 20-minute speeches and 10 minutes for questions, to two periods of 10 minutes for speeches and five minutes for questions and comments.

[*English*]

Mr. Cooper: Mr. Speaker, of course we would be more than happy to co-operate with the Official Opposition in this eminently sensible move.

Mr. Riis: Mr. Speaker, I notice the record indicates that to date, we in the New Democratic Party have had a chance to speak for 23 minutes on this very important piece of legislation. Perhaps some people would like us not to speak at all, ever, and run the House as a dictatorial arm of the government, but that is not the way our parliamentary system operates.

I simply want to say that we have a number of speakers who have a number of comments that they wish to make on this piece of legislation and I would like to see that they have an opportunity to speak for 20 minutes. I would certainly entertain the suggestion, however, once we have heard a number of speakers who feel very strongly about this legislation. Beyond that, we are quite prepared to also consider breaking down the 20 minutes into tens and fives. For the moment, as the standing orders provide, we would like to retain the 20 minute speeches and 10 minute questions and comments.

Mr. Cooper: Mr. Speaker, we understand that decision of the NDP. May I also then, in the same spirit, since everyone seems quite anxious to participate in the debate, an important debate for the House of Commons, ask if there would be unanimous consent of the House to add the time that we have just taken for the presentation of the petitions and add that to the clock tonight to make sure that we have adequate debating time for all of our colleagues.

Mr. Gauthier: Mr. Speaker, I think the term is "crocodile tears". The Parliamentary Secretary who just made that proposition should know that the House has not sat for 64 days since the last election, not because of the opposition, but because the government was unable to call this House together. I take it that the Parliamentary Secretary would like to have the House sit a little longer. It is up to him to talk to government members and tell the cabinet to get this House sitting a little longer. I am not in agreement at all with prolonging this day's sitting. At six o'clock, I think we should adjourn as usual.

Mr. Riis: Mr. Speaker, I want to add to the very thoughtful comments made by colleague. This is a Parliament. This is a House of Commons where, in our parliamentary system, the opposition also has access to

time in this chamber, and part of that time is used presenting petitions. The minister responsible for VIA Rail has refused to allow Canadians to speak out on this issue. Presenting petitions is one way for ordinary Canadians to register their concerns.

I also want to suggest, however, as the Parliamentary Secretary to the government House leader knows, that the government made a gross error on Bill C–32, the advance grain payments bill. It introduced legislation some time ago and then realized that the legislation made no sense whatsoever, that it was silly, stupid, not very thoughtful, irresponsible, a mistake to say the least. Now government members have asked us to forget all of the speeches that were made and all that was done. They are going to retract the bill and bring in a new one.

I would like to remind my hon. friend, the parliamentary secretary, that if the government understood how to do business, if the government understood how to conduct the affairs of the country, it would not introduce bills without first thinking them through carefully. I would ask him to ask his minister to give more thought—

Mr. Deputy Speaker: The Chair understands that there is not unanimous consent to proceed after six o'clock. We shall, therefore, resume debate.

Mr. John Nunziata (York South—Weston): Mr. Speaker. I last had the opportunity to speak on this particular bill on June 22 before the House adjourned for the summer break. I understand that I have some 10 or 12 minutes to conclude my remarks. In order to put my concluding remarks into perspective, permit me to repeat some of the submissions I made on June 22, 1989.

We are here today as we were then to discuss in principle Bill C–18. The purpose of second reading debate is to determine whether, in a general way, in principle, this House ought to endorse and support a particular piece of legislation. This piece of legislation, Bill. C–18, is an act to establish the Department of Multiculturalism and Citizenship and to amend certain acts in relation thereto.

Let me say in no uncertain terms that I believe very fundamentally that this bill ought not to be approved in principle. I would like to explain the reasons why. I do not believe that the Government of Canada should be establishing a Department of Multiculturalism.

Up until now, it has been the policy of the Government of Canada, from 1971, that Canada would be a bilingual and multicultural country. The policy of multiculturalism was introduced by a previous Liberal administration in 1972. While at the time and in the subsequent years that particular policy may have been of benefit to immigrant Canadians and to Canada generally, I believe very strongly that the policy is no longer appropriate or valid today. In effect, the present policy of multiculturalism is divisive. It divides Canadians. It is unfair in that it treats Canadians in a different fashion. It is regressive and at times discriminatory. Let me explain why I feel that way. If one were to ask Canadians generally what they thought multiculturalism was and if one were to ask members of Parliament to explain what multiculturalism means, they would say, I suspect, that it means everything other than French or English. If you are a French Canadian and you are not part of the multicultural community, or if you are an English Canadian or an anglophone, you are not part of the multicultural community. However, if you have origins that are Italian, Greek, German, East Indian or South American, then somehow you are part of that multicultural community. You are "an ethnic".

• (1610)

In the true sense of the word, multicultural means everybody. My French Canadian colleagues here in the House of Commons are just as much a part of the multicultural community as I am as a Canadian of Italian origin. That is not the mindset here in Ottawa today and indeed throughout the country. When one speaks of multiculturalism in this House of Commons, one is speaking of Canadians who have origins other than French or English. In many ways, that is discriminatory because there is almost a suggestion that because one is part of the multicultural community, somehow one is inferior, is of a different class, is of inferior quality to Canadians who have origins that are French or English.

I was born in Canada. My parents are immigrants to this country. They came to Canada in 1950 from Italy. I was born in Revelstoke, British Columbia. I do not consider myself a francophone. I do not consider French to be my mother tongue. I have no origins that relate to things French. I do not consider myself an anglophone

even though I speak English fluently and English was the language of my education. So I ask myself, what am I?

If I am not a francophone and not an anglophone and the Government of Canada seems to suggest in its policies and legislation that it is either one or the other, then I am in a category which is multicultural. I am in the basket over here that consists of everyone with roots other than French or English.

We are bilingual because of history and because the English and the French were the first settlers. Far be it from me to give a history lesson today, but that is why we are bilingual and have a policy of bilingualism in Canada. The arguments for bilingualism are strong.

One also has to accept what Canada is today and what Canada is becoming. What will the Canada of the future be? Statistics Canada recently reported that 34 per cent of Canadians have origins that are British, and that number is diminishing. Twenty-four per cent of Canadians have origins that are French, so 58 per cent of Canadians have origins that are French or English. Of the remainder, 25 per cent have origins other than French or English and 5 per cent have origins that are a mixture of French, British and some other origin. The reality today is that the country is more diverse than it ever was.

Of the immigrant population in Canada, people who migrated to Canada, one-half arrived in Canada before 1967 and one-third arrived between 1967 and 1977. Less than 20 per cent arrived in Canada since 1977.

The reality is that those of us who have origins other than French or English have just as much right, just as much entitlement to equal protection and equal benefit of the law as defined by the Canadian Charter of Rights and Freedoms. Mr. Speaker, you have indicated that my time is nearly up. I will appreciate the opportunity to answer any questions that my colleagues might have.

It is a step backward to start entrenching multiculturalism. We ought to be moving to the next phase, to recognize what Canada is today and what Canada will be in the future for our children and grandchildren. We as Canadians have to start talking about a new national spirit, a spirit that says that we are all Canadians.

I frankly am tired of being a hyphenated Canadian. I am not a hyphenated Canadian. I am fiercely proud of my heritage. I will defend my heritage and promote my heritage, but I am a Canadian. I am not an Italian-Canadian or a Canadian-Italian. I happen to be a Canadian of Italian origin. I am very proud of my heritage and I am proud of the fact that I am Canadian. I suspect that the one-third of Canadians who have origins other than French or English feel as I do.

I think it is time that we stopped segregating and ghettoizing Canadians of origins other than French or English and that we all start talking about and promoting what we all have in common and that is the fact that we are Canadian. Whether we come from Quebec, whether we have origins that are British, Japanese, German, Italian, Greek, or whatever, we are all Canadians. To support this bill in principle is to take a tremendous step backward. I urge colleagues not to support this bill in principle and to refer it back to the government to bring in a piece of legislation that will recognize the equality of all Canadians.

Mr. Peterson: Mr. Speaker, I would like to congratulate the Hon. Member for York South—Weston on his deep concern for the multicultural communities of Canada and for the country that Canada has become. I would like him to elaborate for this House on one of the matters that he has raised most forcefully with us, his colleagues on this side of the House. It is the question of the redress to the Japanese-Canadians and the way it was handled by the government.

He has brought forth to us the point that this matter was considered a multicultural issue. It was handled by the minister responsible for multiculturalism as opposed to other ministers who are more properly charged with questions of fundamental justice, fundamental human rights and the way we treat people, not because of their ethnic origin or their background or their language but simply because they are Canadians, simply because they are human beings. I would like to ask the Hon. Member for York South—Weston to elaborate on this point and to continue his remarks.

Mr. Nunziata: Mr. Speaker, as I indicated in my remarks, the policy of multiculturalism as embraced by this government and as introduced by the previous Liberal administration is discriminatory. I use as an example the way the Japanese Canadian redress ques-

tion was handled by the House of Commons and by the government in particular over the last number of years.

• (1620)

Because Canadians of Japanese origin are not anglophones or francophones and because they are a visible minority, the mindset in this Parliament and the mindset on the government side was that anything having to with Canadians of Japanese origin must be an issue involving multiculturalism.

If that is not the ultimate insult and the classic example of how discriminatory the policy of multiculturalism is, I do not know what is.

That issue ought to have been dealt with by the Minister of Justice. As my colleague quite eloquently pointed out, it was an issue of natural justice and a matter that ought to have been dealt with by the government as a policy not having to do with ethnic origin but having everything to do with justice.

The mindset on that side of the House was because they have origins that are Japanese, hand the issue over to the Minister of State for Multiculturalism. I ask rhetorically what the reaction would have been in Canada if the Government of Canada had handed over the issue of Nazi war criminals to the Minister of State for Multiculturalism. I do not believe that would have been acceptable.

I do not make these submissions in order to place blame but simply to reflect the negative mindset that exists in Ottawa with respect to the policy of multiculturalism.

I will use one more example, and again I do not mean to be critical. When Air India flight 182 was bombed off the coast of Ireland some five years ago, the initial reaction of the Government of Canada was to phone Rajiv Gandhi, the Prime Minister of India, to offer condolences to the families of the deceased.

It is necessary to ask why the Government of Canada called Rajiv Gandhi and the Government of India. The reason was that it was an Air India flight and because those on board wore turbans; some were Sikhs, others were darker in complexion because they were Hindus. There was a mindset that because these people were visible minorities, somehow they were not Canadian. The fact is that the overwhelming majority, in fact almost all of those people who perished, were Canadian, but the government's multicultural mindset led it to call Rajiv Gandhi, the Prime Minister of India.

In answer to my colleague, I am saying that this policy of multiculturalism, not in a deliberate way but in an insidious way, is extremely discriminatory and insulting to those of us who have origins other than French or English. For that reason, I do not believe we ought to be supporting the perpetuation of a policy that treats our fellow Canadians as being inferior.

Mrs. Browes: Mr. Speaker, let me begin by saying that I have reviewed the speeches made when Bill C–18 was debated first. I noted that the first three speakers for the Liberal party spoke in favour of the principle of this bill and supported this bill. The NDP critic supported this bill. I am absolutely astounded that this member would be speaking against a multicultural bill to establish a new department which is going to oversee the Multiculturalism Act.

I would like to point out to the House that the Multiculturalism Act is multiculturalism for all Canadians, and that is part of the preamble of that act. I would like to say that the hon. member for York South—Weston voted for that act. The Multiculturalism Act states that it is for all Canadians and he voted for it. Now he is standing up here saying that the Multiculturalism Act divides Canadians.

I know that the Liberal party is having a great deal of difficulty with unity, but it is absolutely unbelievable that a group of people who have spent some time governing this country is now in total shambles in terms of its multiculturalism policy.

I would like to know from this member of Parliament how he can possibly be against this bill. I know that there is going to be a tremendous number of people in our city of metro Toronto who are going to be astounded at these comments.

I just read in one of the newspapers that the member said that multiculturalism is a fraud perpetrated on groups of ethnics other than French or English in order to appease them. Is that the policy of the Liberal party? He said that our current multicultural policy actually breeds racism in Canada because we are telling them they are different.

The Multiculturalism Act is about bringing people together, uniting people and I am positively astounded. I am sure there is embarrassment in the Liberal Party of Canada today because of this member's comments.

Mr. Nunziata: Mr. Speaker, I regret very much that the member is so easily astounded. It is obvious that the member was not listening to my submissions and that she does not have a full and complete understanding of the issue.

Yes, indeed, there may be members on my side of the House who support in principle this particular piece of legislation. I am telling you in no uncertain terms how I feel about this particular bill.

I was elected by the people of York South—Weston to come to this House of Parliament to express my point of view and I have done that. I have told you how I feel regardless of how the government feels, how the New Democratic Party feels or how other people feel about this particular legislation.

Rather than talking about the merits of my submissions, the member from Toronto is more interested in making a personal attack. I am prepared to debate with the member and she can establish the venue. If she wants to organize a meeting in metropolitan Toronto, I am prepared to debate her or anybody else who supports the bill on the merits of this particular piece of legislation.

The member for Scarborough Centre is sadly mistaken in her submissions. I have always expressed this particular point of view that I have expressed today. I am prepared to debate with the hon. member at any place, at any time, this particular issue on its merits. I would like the member to explain to the people of Canada why she supports, for example, the establishment of two separate ministries, two separate departments, one of culture and communications and another of multiculturalism.

She said a few moments ago that multiculturalism means everybody, that it tends to unite. Why then would you have one ministry of multiculturalism and another of culture and communications? Surely, if one talks about culture, that means everybody, all of Canadian culture. The member finds it necessary to distinguish between Canadian culture and multiculturalism. For that reason, I would suggest to the hon. member that she is not totally aware of and sensitive to this important issue.

Mrs. Pauline Browes (Parliamentary Secretary to Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, I am pleased to participate in this debate on Bill C-18, an Act to establish the Department of Multiculturalism and Citizenship.

I was pleased today when the House leader brought forth the motion to have the Standing Committee on Multiculturalism and Citizenship established, and we look forward to the participation of the members of the House of Commons on that committee. In the debate last June the Secretary of State outlined the important principle behind this legislation. Both opposition critics have also expressed their support for the bill and I believe it is important now, Mr. Speaker, to move this legislation from this chamber into committee where we can study it and have further discussion and examination.

• (1630)

As the minister noted when he introduced this bill, C-18 speaks to the future of Canada, a future where all Canadians are free to participate and to succeed in our society, a future that recognizes the words of Canada's first Canadian-born Governor General, Vincent Massey, when he said: "This country is more than a chain of wheat fields and mineral mines and pulpwood forests, it is more than even the union of ten provinces, it is the expression of a certain idea."

The bill before us today is the reaffirmation of that idea. C-18 establishes a new department of multiculturalism and citizenship that will administer the Multiculturalism Act, the Citizenship Act, and will also incorporate into one department a number of programs that are vital to the future of Canada, programs such as the national literacy strategy, a partnership program that is designed to address the tragedy of illiteracy in our society. Our government has set forth $110 million and through the literacy secretariat thousands of Canadian businesses, community organizations, and non-profit groups are becoming involved in fighting the problem of illiteracy.

I was honoured recently to attend a performance entitled *Reading the Signs* which is a play produced by a group of young actors that is touring schools and commu-

nity centres to promote literacy. This play, *Reading the Signs*, is being sponsored by both the federal government and a variety of business organizations.

Another aspect of this department will be voluntary action programs which support the outstanding work of hundreds of thousands of volunteers in Canada. Another will be human rights, and especially race relations which is becoming such an important issue in cities like metropolitan Toronto. The new department will also focus on citizenship registration and citizenship promotion. Recently there was a citizenship court ceremony which was attended by a group of Girl Guides who took out their citizenship registration as their way of promoting the vital aspects of citizenship.

Citizenship promotion is a central feature of C–18. Being Canadian is both an honour and a responsibility and the oath which every new citizen takes reads as follows:

> I swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, Queen of Canada, her heirs and successors according to law and that I will faithfully observe the laws of Canada and fulfil my duties as a Canadian citizen.

As citizens we have the right and the duty to participate fully in every aspect of our society. We have the right to vote, to stand for public office, to travel abroad as Canadians and to enjoy the full economic benefits of our country. This year some 94,000 people will take the oath of Canadian citizenship with tremendous pride and declare themselves Canadians.

Recently I had the opportunity of opening the new citizenship court in Scarborough and it was such as privilege for me to speak at that ceremony. What a joy it is to participate in ceremonies where hundreds of people become Canadian citizens as a matter of choice. Later this week, Mr. Speaker, a very special citizenship ceremony will be held in Toronto for over 600 new Canadians of Chinese heritage who will take their Canadian citizenship.

The Department of Multiculturalism and Citizenship created by this bill will help these new citizens and thousands like them as they move through the citizenship process. Clauses 4 and 5 of the bill outline the role of the minister in the department. The minister shall:

> —promote among all members of Canadian society an understanding of the values inherent in Canadian citizenship and encourage participation in the social, cultural, political and economic life of Canada; and
>
> (d)—promote among all members of Canadian society a greater awareness and understanding of human rights, fundamental freedoms and related values.

Those duties reflect on how we see ourselves as Canadians and this bill speaks to how we see our future as a dynamic and forward–looking society. This is not a bill merely to support organizations or to authorize existing programs of a government department. This is a bill that speaks for the value of our country.

Just over a year ago this chamber gave consent to the Canadian Multiculturalism Act. That act established in Canadian law the principle that multiculturalism is a fundamental characteristic of our society. The Multiculturalism Act also declared that the policy of the Government of Canada is to recognize and promote the understanding that multiculturalism reflects the cultural and racial diversity of Canadian society and acknowledges the freedom of all members of Canadian society to preserve, enhance and share their cultural heritage.

Bill C–18 builds on the Multiculturalism Act by establishing a department to co–ordinate Canada's multiculturalism and citizenship programs. That co–ordination, however, is not exclusive to this department. The central principle of the Multiculturalism Act is that all government departments must be involved in the promotion of the pluralistic, free and open society.

The new department created by Bill C–18 is only part of the process. This is not a department of ethnicity, nor should it be. This is the department of being Canadian. This is a department that speaks to Canada's future and to the way that we see ourselves. This is a department that recognizes the richness and the benefits of Canadian life.

As a Conservative I believe very strongly in the importance of individual freedom; freedom for every woman and man in our society, regardless of race, religion, ethnic background or age, to succeed and prosper. Individual liberties and freedoms are the very essence of Conservative philosophy. Perhaps that philosophy is best expressed in the words of Prime Minister

John Diefenbaker when he said in the establishment of Canada's first Bill of Rights:

> I am a Canadian, a free Canadian, free to speak without fear, free to worship God in my own way, free to stand for what I think is right, free to oppose what I believe wrong, free to choose those who shall govern my country. This heritage of freedom I pledge to uphold for myself and all mankind.

Bill C-18 supports and advances these principles. This bill creates a department that speaks to the very essence of what we are as a people and what we want to become as a people, looking forward to the promise of our shared future.

• (1640)

On July 1, Canadians celebrated the one hundred and twenty-second birthday of Confederation. In 1867 confederation brought together four disparate provinces to form Canada. Today we are forming a new confederation, a confederation of people who share a different culture and one future as a nation. The establishment of this new confederation of cultures was perhaps best expressed by a resident of Scarborough, an 11 year old boy, a recent immigrant to Canada. His name is Samuel Yip. He designed this year's Canada Day poster which read "Together we build Canada. *Tous ensemble Canada*.

Mr. Nunziata: I would just like to put some very simple and straightforward questions to the Hon. Member from Scarborough Centre. First, I would like her to define in clear terms what multiculturalism means. I would like her to explain why citizenship is such an integral part of this particular bill. She referred to it as essential. What is the relationship between multiculturalism and citizenship. Could she clearly define that relationship?

I would also like her to explain why when becoming a Canadian citizen it is important to swear allegiance to the Queen. She read the oath that must be sworn in order to become a Canadian citizen. I would like her to explain why someone coming from a non-Commonwealth country or someone who perhaps does not believe in the monarchy must swear allegiance to a non-Canadian of British origin before they become a Canadian.

Can I ask her finally to advise the House whether she considers herself an anglophone or a francophone or something else?

Mrs. Browes: Mr. Speaker, I thank the member for that question. It gives me an opportunity to expand a little further on this issue—I suppose the issue of multiculturalism and citizenship. Why we need this department was probably best set out on September 15, 1988 when the Prime Minister stated that we would be establishing a new department of multiculturalism and citizenship. At that time he said "The decision to create a department of multiculturalism and citizenship recognizes that multiculturalism is a central feature of Canadian citizenship. The Charter of Rights and Freedoms entitles citizens from every ethnic and cultural background to exercise their freedom of choice, to retain their customs and honour their traditions while at the same time entering the mainstream of Canadian identity".

I think that sets out very well what we as a government are setting forth in terms of linking multiculturalism with citizenship.

In relation to the oath of office, each time I attend a citizenship court—and I have recently been attending quite a few across the country serving as the Parliamentary Secretary to the Secretary of State—and each time that oath of citizenship is taken a special pride wells up in each of us about how fortunate we are to live in this great freedom-loving country. Our traditions and our history are based on that oath. If this member is indicating to the Canadian public that the Liberal party would not be wanting to swear allegiance to the Queen of Canada, I would like him to get in his place and say that because I think there would be a great many people across this country who would be most disturbed at that comment of the member.

I am sorry time is up and I cannot answer the rest of the questions but I would be pleased to discuss the matter further with the member.

Mr. Deputy Speaker: I regret having to cut off the hon. member. The Progressive Conservative Party, on this round, has decided to have two speakers within the 20-minutes and that is why I am cutting the question and comment period to five minutes.

Now we will resume debate with the second member from the Progressive Conservative Party who will have a 10-minute speech followed by a five-minute question

period. Then the next speaker will be a member from the New Democratic Party.

Mr. J. W. Bud Bird (Fredericton): Mr. Speaker, I also feel proud and privileged to rise and speak today about this Bill C-18, an act to establish the Department of Multiculturalism and Citizenship.

I would like to say at the outset in response to the remarks by the hon. member for York South—Weston that I too would, if I were of his mindset, be concerned. I think that it is a case of mindset, our attitude to citizenship, our attitude to cultures, our attitude to being a Canadian. We can take a mindset; in which we are concerned with discrimination, racism and bigotry but I do not think the hon. member's intentions are in that direction. I take the hon. member's intentions as being honourable and I regret that he is looking at this bill in what I would perceive to be a negative context. Of course because he is an elected public official, he is liable to lead in this negative context and that would be unfortunate because this is a bill to which you can attach a negative context if you wish, or it is one to which you can attach a very positive context.

I would prefer, frankly, to see this department called the department of Canadianism and citizenship. But I suppose there is a first step in this process. This country of ours, I am surprised to learn, is the first country in the world with a national multiculturalism piece of legislation. And so we are pioneering a process in Canada. We are pioneering a process, to some degree with our official languages policy which has been in place now both in New Brunswick and in Canada for 20 years or more. With the establishment of our Multiculturalism Act a year ago we have pioneered a piece of legislation on a world scale.

With respect to the linkage to our two official languages, to our English and our French, Bill C-93 last year, the act pertaining to Canadian multiculturalism states specifically in the recital that whereas the Constitution of Canada and the Official Languages Act provide that English and French are the official languages of Canada and neither abrogates nor derogates from any rights or privileges acquired or enjoyed with respect to any other language. It goes on to say in the purposes of the multicultural policy which that act describes: "(i) to preserve and enhance the use of languages other than English and French while strengthening the status and use of the official languages of Canada". It further states: "(j) to advance multiculturalism throughout Canada in harmony with the national commitment to the official languages of Canada".

And so I have to reject vigorously the assertion by the hon. member from York South—Weston that this multiculturalism act is an isolation kind of an act that excludes anglophones and francophones or isolates those who are new Canadians and the like, as he has described them.

In fact, Mr. Speaker, I think that this bill is timely. There is great evidence of racism and bigotry in our nation and it is time that we as a Parliament addressed ourselves firmly and constructively to new visions in those directions.

In my home province of New Brunswick, Mr. Speaker, there are challenges today to the official languages policy of our province. There is an established party that has a specific, clear policy of unilingualism. And that same party has a policy of what it describes as selective immigration. It is not clear whether that selectivity excludes blacks, English, French, Chinese, or just exactly how selective it should be. They are the kinds of words that I find extremely troublesome.

• (1650)

As I say, while I sincerely do accept the honourable intentions from the member for York South—Weston, I would encourage him to apply his most positive perspective to this bill and to try to lead his constituents and to help us lead this country in a recognition of the purposes of this bill for the national unity which it intends to pursue.

It was about 20 years ago when New Brunswick officially adopted its policies of bilingualism making us then and now Canada's only such province. We have been distinctive and enriched by those policies over the years. It was not long after that, in 1973, that the New Brunswick Multicultural Association was born in my city of Fredericton. It has flourished and it has also helped to make our society distinctive and enriched in New Brunswick.

Today, as I have said, there are challenges and we must defend against those challenges and we must inspire and lead our citizens to tolerance and recognition of the richness which the diversity of Canada brings to all Canadians. The bill before us today will bring to fruition

the promise made by the Prime Minister last September, as my colleague has said.

I have read this bill and considered it very closely. It is a bill about the future of Canada. It is a bill about where we as a society want to go and what we must do to achieve our objectives. This new department of multiculturalism and citizenship will be a department about bringing Canadians together, about strengthening the values which we hold in common.

[*Translation*]

Mr. Speaker, two important factors that make us a distinct nation are our recognition of multiculturalism as a fundamental characteristic of our society and our recognition of two official languages.

[*English*]

Another factor is our generous and humane immigration policy, our willingness to share our homeland in intelligent and compassionate ways with the rest of the world.

In 1987 the projected level of 125,000 immigrants was exceeded and reached 152,098. Immigration levels under the Progressive Conservative Government policy in 1989 will be almost twice as high as those under the Liberals in 1984.

This department of multiculturalism and citizenship is intended to address those new Canadians. It is intended to give them a special attention, a special opportunity, a special interest by the Government of Canada and to bring to the attention of all Canadians the distinctive and enriching values which these new Canadians bring to our country, to ingrain them with the spirit of Canadianism while permitting and encouraging them to retain their original identities and the richness of their individual cultures and languages.

My point is that the government has demonstrated the will, the commitment and the determination to face contemporary social issues affecting all Canadians. This government has demonstrated the will to meet the challenges that are afforded by a multicultural society and to meet the challenges that are afforded by a bilingual Canada.

In closing I would like to say that preserving freedom is not an easy process. It is a process of give and take and it is a process of spirit and vision and leadership. The rights of all Canadians to cultural identity and official language services are basic freedoms of Canadianism. They have been hard-fought and hard-won. We have an enormous responsibility to defend, to sustain, to lead and to enhance those freedoms which make our country so respected and so admired throughout the world.

Mr. Pagtakhan: Mr. Speaker, the essence of citizenship and multiculturalism is truly equality and dignity among all Canadians. In the non-ideal world of today we need a department that will make this world a bit more perfect. The hon. member for York South—Weston thinks of the ideal world today and of course we have to respect his views.

At this juncture however I would like to call the attention of the government because the member for Scarborough Centre did say that our hon. member is an embarrassment. Well, the Minister for Multiculturalism last August in the Conservative Party convention did in essence say that his party, the Conservative Party, treats ethnic minorities with distrust and disdain. I saw the Minister for Multiculturalism was earlier in the House and I am a little unhappy that he had to leave. Of course I understand he may have to attend to another schedule. I would like him to explain how he came to his conclusion. It is proving to me that we are not living in an ideal world when the Conservative Party treats ethnic minorities with distrust and disdain. He said further that unless the Conservative Party cultivates the ethnic votes it could lose all the major metropolitan ridings in Canada in the next election. Is the Conservative party truly for multiculturalism or is it truly only for election votes? Is it an election ploy? He who is without sin, let him cast the first stone, it has been said.

Also, the member for Scarborough Centre said today, "We are forming a new confederation". Well, the ideal is excellent but if it is only today that we are beginning to form this new confederation we have missed the boat, we have missed history. The Liberal Party of Canada must be given credit for taking the initiative to institute the multiculturalism policy. Of course we have to continue to improve. That is the challenge to humanity all the time.

I agree with the member for Fredericton—York Sunbury that the timeliness of this topic is here for reasons of racism, of unfair hiring practices, and of selected immigration. I am glad that the member for Frederic-

ton—York Sunbury did make those observations and I congratulate him for that.

So I support this bill. The Liberal Party of Canada supports this bill. Multiculturalism is here to stay in a non-ideal world and I only hope that the government, by enacting this bill, will truly give teeth to its proclamations, that henceforth there will be racial equality in this country, that there will be respect and dignity, that there will be jobs for all, and that the bill will not only be used as an election ploy.

As a new Canadian citizen, as a new member of Parliament, now I can feel very proud with all humility to participate in the debate of this honoured House. To contribute to this debate is my honour and I hope that the government will continue this policy of equality for all.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, it is with a lot of feeling that I get up to support the government on this bill. This bill is to establish a department of multiculturalism and citizenship. I think we should look at some of the specific duties that are outlined in it. I would like to take the liberty of reading some of them.

• (1700)

The bill's specific duties are to initiate, recommend, co-ordinate, implement and promote national policies and programs with respect to multiculturalism and citizenship; to provide services for the acquisition and proof of citizenship; to promote among all members of Canadian society an understanding of the values inherent in Canadian citizenship and encourage participation in the social, cultural, political and economic life of Canada; as well as to promote among all members of Canadian society a greater awareness and understanding of human rights, fundamental freedoms and related values.

Canada has a proud history in relation to multiculturalism and religious, political and racial freedom. It also has some very bleak history. I think there are many things that are significant within my own personal life that meet the implementation of this type of bill.

First of all, my father was an immigrant. He left Russia because of political and religious persecution. He came to Canada because he felt as a Canadian citizen he could follow his religious beliefs, that he would have the rights of a citizen to pursue his own way of life to gain economic security and to raise a family. These promises were fulfilled. He was proud to be a Canadian citizen. He always treasured the fact that he was able to go to a citizenship court and take out his citizenship.

However, my wife is Canadian born but of Japanese ancestry. She experienced as a young child that her Canadian citizenship was not worth anything. She was uprooted from her home, taken with her family and interned in the horse barns at the exhibition grounds in Vancouver—so much for her Canadian citizenship. Yet her father, in spite of those things, was always proud that he became Canadian. He valued the things that Canada stood for and valued the ideals that we have.

I live in the riding of Surrey North which is very much a multicultural riding. It is a riding which has a large number of immigrants. It has Portuguese, Scandinavians, Germans, people from the Latin American countries and people from India. I am now holding teas to welcome new immigrants. It is really a multicultural mosaic afternoon.

Many of my constituents, particularly those from the Punjab, do not have happy memories about the way they have been treated in Canada. Many of their relatives remember that in 1914 the *Komagata Maru*, containing 376 passengers, 340 of whom were Sikh, arrived in Vancouver. As they were all British subjects, they were entitled under Canadian law to enter Canada. However, when the ship arrived in Vancouver harbour, Canadian immigration officials denied them landing rights, severed communications to shore and denied permission to replenish their food and water, finally forcing the ship to leave and return to Indian waters. Needless to say, this incident deeply humiliated the Sikh community. It continues to be a source of national shame for Canada.

Surrey North is fortunate to have a significant Sikh population which has greatly enhanced our community. The Indian-Canadian community throughout Canada today is one of the communities that is very hard working, has a tremendous commitment to their families, to the community, to their religion, and to strengthening all of Canada.

But even now, today, in this House, I become perturbed when members of Parliament rise to present petitions that are deliberately aimed at preventing Sikhs and other minorities from joining the RCMP, because in order for them to join we might have to change a minor dress code to allow them to wear turbans as part of their religious faith. Sometimes I think we have come a long

way since 1914, and sometimes I wonder whether we have come very far at all.

I think we should look right now at some of the background of multiculturalism and the problems within our ethnic, multiracial and racial minorities in Canada. According to figures given by bureaucrats in the race relations sectors of Secretary of State, an attitudinal survey conducted in 1986 found that between 10 per cent and 15 per cent of Canadians were intolerant of visible minorities. Yet, at the same time, we know that between 1981 and 1986, 64 per cent of immigrants to this country were visible minorities. Fifty–four per cent of Canadians perceived an increase in racism. I think we have seen that in the last year in some of our metropolitan cities, particularly when we have problems like increased unemployment, problems of affordable housing, concerns that are expressed by many people about ethnic minorities and as immigration increases.

There is still systemic discrimination against visible minorities in employment. The government has set a low target of only 3.2 per cent for the hiring of visible minorities in the public service compared with an actual figure of 6.3 per cent in the work force. In actual percentages only 1.58 per cent were employed.

In language training and settlement programs, funding has been erratic. I shall be talking about that a little bit more. I want to talk about some of the weaknesses inherent in this act.

We are very quick to spout nice platitudes, but when it comes to putting in dollars to assist new immigrants to obtain some of the things that this bill sets out in terms of understanding the values inherent in Canadian citizenship and encouraging them to participate in the social, cultural, political, and economic life of Canada, the resources are not provided. Therefore I think we have to take a look at that.

• (1710)

Multicultural health care is now an issue. Governments and professionals are only beginning to recognize that different diets, lifestyles, and culture perspectives affect the type of illness a person may contract and the treatment they may opt for. Very little attention has been paid to medical practice as it applies to other cultures.

There has been insensitivity shown by the media in covering causes that are overtly racist. In some of the programs that depict crimes, particularly in the city of Vancouver, the media has not brought attention to the fact that just as when I first started working in Vancouver in the social services in the late 1950s and early 1960s, there were worse gangs. They were not Oriental gangs. The problems with gangs in Vancouver is nothing new. They have nothing to do with immigration. They have to do with unemployment, dislocation of youth, poverty and lack of housing.

We have seen concerns being raised about the whole question of the notwithstanding clause as it might affect the rights of minorities, particularly as it might affect the rights of visible minorities. I think this is something we are going to have to take a look at in Canada. We feel that that clause, and where there are some reasons to continue with it, can be used by government to perpetuate injustice on minorities. We must remember that in the two incidents that I cited with the Sikhs and with the Japanese, it was the governments that were behind them with the support of the general public.

The New Democratic Party certainly supports this bill, but there are some shortcomings that I think must be addressed. One of the first shortcomings is that there is no increase in staff. There may be sharing of staff and facilities from Department of Secretary of State, especially in regional offices. That new department has serious responsibilities to monitor federal departments and institutions. Therefore, we anticipate that there is going to be a shortfall or insufficient staffing. It is very nice to have a bill, but if you do not provide the resources, it is not possible for a department to carry out its responsibilities.

This government has cut back on the Citizenship Instruction and Language Training programs. Since 1987, they have been reduced by 50 per cent. Now we understand that they are to be totally eliminated by 1990. Again, what is the purpose of having a department if you do not provide it with any resources? These Citizenship Instruction and Language Training programs are the backbone of getting new citizens integrated into Canadian society. That is the way you accomplish the goals that are set out in the act. To simply state goals is of very little value if you cannot, in fact, provide the resources. The bill says it is to provide "services for the acquisition and proof of citizenship". If you delete the ability and the resources to provide those services, what do you

have? You have a piece of paper. I think that is a weakness.

We are concerned still that there is not a commissioner or an ombudsperson as there is with official languages. We are delighted to see that the House leader for the government has today announced, mainly at the urging of my fellow New Democrat from Vancouver East, a separate standing committee on multiculturalism.

There is also a problem of overlapping with other areas, particularly in the area of immigrant women, that may allow departments to play games and may allow both this department and some of the other departments to take the "it's your problem" attitude, while at the same time neither of them providing the services and resources.

In summary, I would like to make two or three points. This is an important piece of legislation. It sets up a department that will have significance for the lives of most Canadians. It is worthy of support because at least it sets out some goals and some purposes. Unfortunately, we cannot be sure that those without resources are going to be enough. I think all Canadians have a vital stake in making Canadian multiculturalism work. Certainly, for people like myself, with my family background, it is vital.

Mr. Nunziata: Mr. Speaker, I would like to congratulate the member on his submissions, but he, along with the previous Conservative member who spoke seem to suggest that by passing an act to create a department of multiculturalism that somehow immigrants, new Canadians, will acquire new rights, that they will get something that they do not already have. That begs the question: does a policy of multiculturalism give to new Canadians and Canadians of ethnic origins something, or anything that the Charter of Rights and Freedoms does not give them? Surely the Canadian Charter of Rights and Freedoms that was passed by this House and embraced by this Parliament gives every Canadian, whether they were born in Canada or elsewhere, similar rights. Therefore I think it is a mistake, Mr. Speaker, to suggest that this policy of multiculturalism and the creation of a department of multiculturalism will somehow bestow new rights on certain Canadians.

The Conservative member who spoke said that it was intended to give new Canadians a special interest. Well, the simple answer to that is, no thanks. New Canadians, and the sons and daughters of immigrants, do not want special recognition. All they want is to be treated like every other Canadian.

The member talked about immigrants. Yes, special programs ought to be in place to ensure that new Canadians, immigrants to Canada, are assisted in their integration into Canadian life. But surely you do not need a policy of multiculturalism to achieve that. Surely that should be the responsibility of the Department of Immigration, the immigration policy of the Government of Canada, not only to establish the criteria for admission into Canada of new Canadians but also to assist them in their integration into Canada.

What this particular piece of legislation will do is this, and I think it is important to look at it in context. It will create a minister of multiculturalism, there will be a separate department of multiculturalism and then there will be a department of culture which again begs this question: What is the difference between Canadian culture and multiculturalism, and why would you need the two? Surely multiculturalism is part of Canadian culture.

• (1720)

I will put this question to the hon. member who just spoke: He was speaking about certain barriers that exist with respect to visible minorities in Canada. Does he not truly believe in his heart of hearts that this particular move by the government, rather than breaking down the barriers that exist in order to achieve full equality in Canada, will in effect create barriers in that it will distinguish Canadians based on their heritage? This is at a time when we ought to be promoting what we have in common. We ought not to be creating new barriers which will, in my view, exacerbate the already sensitive situation we have in Canada with respect to racial harmony.

Mr. Karpoff: The member feels that the introduction of this type of a department is a backward step. I cannot agree with him. I think that to focus within one ministry

the responsibility for citizenship and multiculturalism, including some of the other things that it is responsible for in terms of the promotion of race relations, is positive.

Canada is now going through another period where there is concern within the ethnic communities and particularly within the visible minorities. One of the things that I think Canada does that is different from some other countries that promote or accept large numbers of immigrants is that it values their diversity, it values their culture. We have undertaken not only to allow but to assist people from different nationalities to maintain their cultural identity.

The mosaic of Canada is, therefore, quite different from that of the United States where the intent there is to integrate and to play down any differences, to drop your background, your religion, your culture and your ethnicity when you become an American. Here in Canada I think we have done the opposite, much to the enrichment of our country.

Therefore, I think it is important to have a department that not only promotes multiculturalism and race relations but one which also ties them in with citizenship. What that basically says is that those are the things that go with being a Canadian citizen. I think that is where we have broken down in the past, in terms of our mistreatment or lack of equality for ethnic groups. What we have not done is say to the Japanese or to the Sikhs: "You have certain rights because you are a Canadian citizen and with that citizenship go these rights". I think that there is an importance in linking it within this type of ministry.

I would agree, however, with one thing that the member seems to be alluding to, that is, if there is not some substance and some resources provided then what we have is an empty shell. If what the government intends is to provide a department for window-dressing with no resources to carry out the goals that are stated in that bill, I will be the first one up on my feet to condemn it. If that is its intent, not only will the New Democratic Party but other Canadians very quickly see through it and condemn it.

Mr. Nunziata: Mr. Speaker, the member seemed to suggest that in order to acquire certain rights and freedoms, citizenship is a prerequisite. Just to correct the record, the Charter of Rights and Freedoms does not require citizenship as a prerequisite in order to be afforded the rights and privileges that attach to the Charter of Rights and Freedoms. I want to make that absolutely clear. The Conservative members seem to be suggesting the same thing, that in order to have certain rights to equality and the right not to be discriminated against, Canadian citizenship is a prerequisite. In fact, it is deliberately not a prerequisite in that when parliamentarians decided on the Charter of Rights and Freedoms, they specifically decided not to make it a prerequisite.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, it is an honour to participate today in this debate. It is an historic debate which establishes a new federal government department responsible for multiculturalism and citizenship.

These are important steps which flow from a landmark study done in 1960, the Royal Commission on Bilingualism and Biculturalism which is properly known as the Laurendeau-Danton report. It noted at that time in recognition of the diversity of the cultural groups found in Canada that "Canadian society, open and modern, should be able to integrate heterogeneous elements into a harmonious system to achieve unity in diversity".

I think much of the debate and differing points of view here relate to the fact that fundamentally, in adding this rich cultural diversity and recognizing it, we add to the fundamental characteristic which is in our constitution officially, the bilingual and bicultural nature of Canada. We are talking about the right for equal treatment and consideration under the laws of Canada.

I am very pleased because this government took an initiative that was started with Laurendeau—Danton in 1971 to establish a policy marking multiculturalism. This department becomes official through this act and I believe, if given adequate resources, can become a great symbol of the reality of our multicultural heritage and of the grandeur of our diverse ethnic mix, something that the people of Canada are becoming more and more aware of every day. We hope that this department can enrich the unique multicultural tapestry that is the Canadian society, enabling us to forge a new era of goodwill in the relationships among our people, notably respect, understanding and tolerance, which is the hallmark of Canadians with very few aberrant moments in our history.

As a new arm of the national government, this department should work to preserve and enhance the fundamental characteristics of Canada which I stated as being tolerant, open, peaceful and democratic. But let us not fool ourselves. The creation of this department is but

one step in the long process of integrating the ethnic, linguistic and multicultural aspects of our people with the day to day reality of life in this country. There is racism and those of us who do not care to acknowledge it move with a blind eye. If this department takes us one step toward the goal of eradicating that sense and undercurrent in society, we will have been successful with this move.

This department and this minister must be prepared to do battle against that growing undercurrent which I have talked about, and which I sense underneath this society. If we are to avoid major steps backward as a society, this trend must be stopped, and I hope this will be a major goal of the new department. If we are not more tolerant, then we fail the most democratic test of our modern society and of a modern democracy.

The challenge goes beyond institutions. I hope that this new department will be able to provide a leadership role so that its efforts, research and findings will become a guiding framework all across government and through this touch all aspects of Canadian life. The challenge is to direct our whole range of national programs toward integrating new Canadians and those who have been here for generations into all aspects of Canadian life in a coherent and proper manner.

It is not enough to support individual groups in society, visible minorities or others just in the enhancement of their own cultural expression. Song, dance and cultural festivals are important and serve to preserve individuality in society.

• (1730)

But we must, at the same time, seek integration through maximum participation in Canadian life. It should be considered a Canadian reality that a certain distinctiveness can be preserved while the process of integration is also put into practice. This is one role that I can see for this new department. Pursuing the dual objective: enhancement of cultural uniqueness coupled with a great emphasis on integration. The old maxim remains true: the whole of this country is far greater than the sum of its parts, as exciting and as rewarding as each of those parts can be.

The so-called politics of inclusion must be used here in Canada, not with the aim of forgetting the past, but integrating it into the present and the future as we build together a cohesive society able to address the challenges the next decades will bring.

I think this department, Mr. Speaker, should broaden our perspective. As we embark on establishing a new institution in this country it will gain its place around the cabinet table and in the political life of the country. We must use the opportunity to begin letting our cultural sensitivities pervade other aspects of government, of public discussion, and of our daily lives. Perhaps the visibility of this department will now ensure that education, job training, employment accessibility programs and law enforcement agencies all have a multicultural component to recognize differences, respect and reflect these differences, and see them as a positive aspect of our Canadian mosaic. And though perhaps a contradiction in terms, the creation of this new department may just help us meet our goal of seeing multiculturalism merged with all general cultural policies and thinking rather than being introduced and addressed in isolation.

Would it not be a wonderful irony if, by separating multiculturalism and citizenship off on their own, from a government perspective, it would achieve the goal of integrating them more from a human perspective, making them part and parcel of the Canadian way of thinking.

I said earlier that governments must go further than supporting multiculturalism through cultural expression, such as song, dance and folk festivals, and through other ministries and institutional fora. I believe that on the basis of mutual knowledge of cultures and opportunities to seek, establish and develop links, Canadians can be enriched by each other.

The view articulated in the charge to the 1984 *Equality Now!* committee task force, which was looking at the question of visible minorities in our Canadian society showed that while progress has been made, there are still many miles to go. I quote what was stated in the preamble: "Canada stands on the threshold of a new era. In a country with a long history of innovation, accommodation and tolerance, the challenge of an increasingly multicultural and multiracial society is one which can and should be met head on— The government must now

consciously choose a course of action which will ensure that there are no roadblocks preventing the full participation of all citizens in the cultural, social, economic and political life of this country".

Therefore, how is such enrichment to be achieved? There are many ways but time does not allow me to elaborate or be creative. However, let me suggest that we look at our law enforcement agencies and our employment-equity policies, they are the best places to start. I would also suggest one of the other ways that is all pervasive is the medium of broadcasting, television and radio, which are fundamentally a part of all of our lives and can serve the cause of strengthening sensitivities in the multilingual, multicultural racial areas of this country. Let us not forget that watching television is the number one leisure activity for Canadians. We spend more than 24 hours a week, on average, in front of the television set. Each year, Canadian children watch almost 1,000 hours of television compared to 800 hours spent in school.

As well, more than 50 per cent of Canadians say that radio and television is their principal source of news and information. That is the medium that can carry the message of who we are, what we are, and can reflect the exact colour, shape, dialogue and dialect that we use as Canadians.

I gave you these facts and figures because I believe it to be clear that Canadians of all races, all creeds, and all colours can find out what their society is like and what society thinks of them in part by the way they are portrayed through the media.

With the growth of television, media images have become a very important substitute for social integration. Therefore, we must ensure that broadcasting does not represent individuals and groups as a single North American type for we are not all the same and that must be recognized when we see ourselves on the screen.

Now Parliament has a golden opportunity with the imminent introduction of a new broadcasting bill to make sure that our broadcasting system through its programming is more reflective of the multicultural nature of Canada helping to meet the goals of society and the objectives of the new department of multiculturalism.

A new bill must not stop there. It must address, as I have said, employment equity and the absence of visible minorities in the media, not just on the screen but those behind the cameras, those on the media boards, the commissions and self-regulating bodies.

The government in its legislation must encourage the broadcasters in their hiring practices to be more reflective of the multicultural nature of Canadian society. This is just an example which could be extended to all phases of business activity in our country.

I would like to suggest that there are a few problems in this bill. My hon. colleague, the member for Saint-Laurent, pointed out that the definition section needs to clearly link this bill with Bill C-93, the Multiculturalism Act. There is a need for clarity as to who the minister really is, who will speak with the most force and authority at the cabinet table to bring to reality our vison of Canada for tomorrow.

The question has been raised by her as well about whether the bill adequately focuses on the separate areas sufficiently, that is, the area of responsibility for citizenship separate from that of multiculturalism. There must be a distinct description of the responsibilities in each of these areas.

I would hope that in legislative committee partisan politics will not be played out in this very sensitive area of our Canadian vision for a Canadian way of life, and that thoughtful amendments from any side of this House to improve the operative sections of the bill will be warmly appreciated and the needed changes made.

In closing, Mr. Speaker, I bring to your attention that the United Nations has proclaimed this period, 1987 to 1997, the world decade for cultural development. One of the objectives of this decade is the international recognition of equal dignity for and of all cultures. It is my hope that within Canada we could achieve this objective.

I think we can be a role model for the nations of the world. We must be confident that we can become more accepting, more aware of the true value of our diversity, but also realize how fortunate we are to be so diverse in the first place.

Mr. Deputy Speaker: On questions and comments. The Hon. Member for Scarborough Centre.

Mrs. Browes: Mr. Speaker, I would like to compliment the member on her speech. I have had an opportunity over the last five years to work with her .I want to say that in those five years I have enjoyed the opportunity of working on a very special committee of the Equality Rights Committee that reported to the Parliament of Canada in the form of a report called *Equality For All.*

I know that her comments come from a position of knowledge of the importance of this issue of citizenship and multiculturalism, the pluralistic aspect of this bill that is so important at this time in our history.

I want to say that I was pleased to see her emphasize in her comments the importance of tolerance in our communities. Every once in a while this issue of racism raises its head and I think we are all outraged with it. Her comments on tolerance were so very important and well taken today, as well as the understanding that we must have between the various communities.

• (1740)

I would like to ask the member what her advice would be to other colleagues in her Party who oppose this bill.

Mrs. Finestone: Mr. Speaker, I welcome the opportunity to address the member for Scarborough. I have very pleasant memories of the almost year we spent together on a daily schedule which was rather rugged travelling across this land. I see one of her other colleagues is the Associate Minister of National Defence. Certainly, the area of defence was one to which we paid a great deal of attention.

[*Translation*]

The misogynists are there in force.

[*English*]

Equality now, equality for all; respect, tolerance and understanding, and you asked me about differences of points of view. That is one of the great qualities of Canadians. All Canadians, hopefully on your side or my side of this house, are open, tolerant and understanding of differences. This difference that you are alluding to is perhaps a difference of time line. It is my hope that in the future we will not need to have a committee, department, minister or bill to address multiculturalism *per se.* I hope it will disappear in terms of its need over time. I would eventually agree with the member's colleague sitting behind you that we will eventually have the department of Canadianism or the department of culture. However, we have not reached that stage yet. I think I mentioned there is this ongoing need to recognize that there is racism just below the skin and we really must address it.

It is an unfortunate reality that we have not built a system of integration into the Canadian way of life as we receive and absorb new immigrants. I would hope that the minister will find a way to improve the integration and acceptance of new Canadians, and find mechanisms within our law enforcement agencies. In my city the level of racism between the various visible minority groups is of great concern. There have been some unfortunate incidents of late which only underscore the need to work at many levels in our society to reach nirvana, that point in the history of development of Canada where we will not need multiculturalism. In that regard, I would say that he is perhaps 10 steps ahead of where we are right now. Let us hope that we reach where he is some day.

[*Translation*]

Mr. Prud'homme: Mr. Speaker, I simply want to make a comment, since as you probably all know, I was very busy with the election campaign which has just ended in Québec. I took part in the campaign as a Liberal militant. I worked very hard for Liberal candidates and I offer no apologies for the fact. Certainly not! I am very proud of the fact.

During the campaign, some very unfortunate comments were made about the majority in Québec by a new party which calls itself the Equality Party. Strange that a party called the Equality Party would, through its founding president, practically spit in the face of those of us people in Québec who try to explain what it means for a people to survive. I just couldn't why. Perhaps some day here in the House we could have a debate in which we could express the feelings of the majority in Québec that sees its numbers dwindling at an incredible rate because of the low birth rate and an aging population.

If this bill could bring us to a better understanding of what racism is, perhaps some of the unfortunate statements we heard in Quebec, references to fascists and nazis and comparisons of the Québec situation with what is going on in South Africa, in that case I believe this bill will have been tremendously useful. I say this, and I am sorry that I have to say it, and I hope, in the weeks and months to come, that here in the House we will reflect and draw the necessary conclusions before we make a final decision about other political events that are expected to take place next June, and I am not referring to the leadership of the Liberal Party of Canada, I am referring to Meech Lake. So I hope we will have a chance to get back to this question.

I also hope we will have a chance to explain how, when people speak without thinking, and this also applies to the people who made those unfortunate statements, whoever they happen to be, and I am not naming names— I don't want to get into particulars, because today I especially wanted to say how happy I was to be able to take part in this campaign. If you really want to know the issues, an election campaign is the place to be. I also want to congratulate those who were elected and who are not of the same political stripe as we are. We cannot blame people for voting for a party that calls itself the Equality Party. After all, this is a democracy. In fact, I am almost glad this party exists, because as a result, the party for which I worked may move to the centre between two extremes, which should improve our relations in the future.

But if this particular bill, and here I agree with the Hon. Member for Mount Royal (Mrs. Finestone), could help us to fight all forms of racism—but when we talk about fighting all forms of racism, we must not be selective. It's like when we fight for human rights, we don't have the right to be selective. We either believe in human rights or we don't. We can't pick and choose. We can't select some people rather than others because they are more important, better organized, richer, and ignore the destitute. Either we believe in this principle or we don't. Either we fight racism or we don't.

And that is why, without being directly involved today in the debate on second reading of this bill, I nevertheless intend to take a close look at the legislation, Mr. Speaker, and to become actively involved, because I have a lot to say about the development of multiculturalism in Canada. I believe that together, we can make this a better bill, as long as the Government doesn't insist on believing that the bill is perfect. There have been a number of developments since multiculturalism was first introduced under Mr. Trudeau. A lot has happened and much experience has been gained.

I listened to what was said by the Hon. Member from Toronto, and I must say it made me think. I feel I ought to give due consideration to what the Hon. Member,for whom I have a great deal of respect, had to say. He may belong to a minority group, he may feel like a minority, but as you know, minorities are not always wrong.

The Hon. Member asked us to think carefully before we pass this bill, and I want to thank him for that. I also wish to thank my other colleague who reminded us that we should have an absolute horror of racism in all its forms. I hope that in future elections, people will be more careful and refrain from distasteful comments of this kind, especially when addressed to an entire population. I realize no one is absolutely blameless, but we cannot attack a group as such just because we don't like them.

[*English*]

Mrs. Finestone: Mr. Speaker, I wish to state that I share my colleague's view and hope for the eradication of racism and bigotry and that sane heads and careful language will guide our direction, wherever we are in Canada.

• (1750)

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Saint-Laurent (Mrs. Maheu) on a point of order.

Mrs. Maheu: We had planned for 20 minutes, with two 10-minute speeches, and the period for questions and comments. The Hon. Member for Mount Royal (Mrs. Finestone) had the first 10 minutes. It should therefore be Ms. Guarnieri's turn to speak.

Mr. Deputy Speaker: When there are such agreements, the Hon. Member who has the floor *must* speak for 10 minutes. To my knowledge, the Hon. Member for Mount Royal spoke for 15 minutes. If someone speaks for more than 10 minutes, I leave 10 minutes for questions and comments.

So if such a decision is made in future, I should certainly be informed. I would then stop the Member after 10 minutes.

In this case, I did not know and that is why I did not interrupt the Hon. Member for Mount Royal. I let her speak for 15 minutes and after that, I allowed 10 minutes for questions.

Mrs. Maheu: We reached an agreement before whereby each of us would speak for 10 minutes, and our whip referred to it before the debate started.

Mr. Deputy Speaker: I am sure that the Hon. Member for Ottawa—Vanier (Mr. Gauthier) will help the Chair, as usual.

Mr. Gauthier: Mr. Speaker, I am sorry that we do not have a better system to tell Members who are speaking how much time they have taken and especially how much time they have left to speak.

I recognize the difficulty, because in the heat of action, it is not always easy for us to think about time constraints.

A suggestion that I might make to the Chair would be to have a small dial under each clock showing the time left to speak. For a 10–minute speech, it would start at 10 and go down to zero.

But I think that we will have to improve the system the House uses to control the time allowed. Otherwise the Chair has trouble knowing whether it is 10 minutes, 5 or 20.

Personally, I gave notice, but I told the Speaker that occasionally during the debate the Opposition would like to divide its periods of 20 and 10 minutes into two periods of 10 and 5 minutes.

In any case, for reasons that can be easily explained, there was a misunderstanding here, for which I apologize.

Mr. Deputy Speaker: In future, the Chair will check when there is this kind of agreement. I will check when Hon. Members start their speeches.

So, for now, the Hon. Member for Ahuntsic (Ms. Roy–Arcelin).

Mrs. Nicole Roy–Arcelin (Ahuntsic): Mr. Speaker, I welcome this opportunity today to offer my contribution to the debate on Bill C–18, an Act to establish the Department of Multiculturalism and Citizenship.

The Bill before the House today, Mr. Speaker, is about what makes Canada special.

Last year in the House we considered the Canadian Multiculturalism Act, and as a Parliament consisting of people speaking both official languages and coming from the four corners of this country, we endorsed this very important aspect of our Canadian identity.

The department will play a major role during this last decade of the twentieth century. At its core lies our constitutional commitment to two official languages, and our recognition of our cultural and racial diversity. The department has three crucial missions.

The first consists in further consolidating our unique position among the nations of the American continent. To a large extent, this position derives from our recognition of two official languages and the store we set by the various cultures of all Canadians.

This position also derives from the means we have chosen to reflect these realities and respect them.

Although it would be misrepresentation of the facts that we have always lived in harmony, our history proves that as Canadians we have a special aptitude for compromise, for seeking reasonable solutions and for acting as mediators in case of conflict.

These aptitudes, together with the flexibility of our institutions, are so many characteristics that are the envy of other nations. It is characteristics like these that are judged essential in a world that demands an increasing ability to adapt to change.

The department's second mission is to ensure that no one in our society is deprived of the ability to participate in that society as a result of constraints such as illiteracy or cultural or racial background.

In cases where our society has been unable to give its citizens a satisfactory level of proficiency in reading, writing and arithmetic, we have failed. Where our society perpetuates discrimination in any form, including discrimination based on the misconception that a particular race or group of persons is superior to others, we have failed. We cannot claim to be that generous and compassionate society we aspire to be, as long as this kind of situation is allowed to exist.

The third mission of the department is to create a climate and conditions which will enable all Canadians to contribute to building our future. By pooling the various assets of our fellow citizens we have at our disposal the combined knowledge, experience and wisdom of all the world's cultures. This is a tremendous wealth which is our very own. It is a wealth which must be put to good use if we want to face up to the challenges that can be expected in the near future. It is a wealth which is

absolutely essential to the fulfilment of our promising future.

Mr. Speaker, this department will not be a regulating or controling agency. It will not attempt to maintain the statu quo, nor will it be chained to the past. It will look to the future and actively seek to eliminate whatever obstacles might limit our aspirations. Its mission will be to convince us, make us aware of the reality, throw us challenges, and urge us to become simple society which will grow and command the respect of all nations the world over.

Mr. Speaker, the Bill under study is the logical continuation of the work done by the House last year, but as my Québec colleague said, the Secretary of State and Minister of State for Multiculturalism and Citizenship (Mr. Weiner), it is much more than simple legislation to establish a federal department. As I see it, a department such as we want to establish today deals with the many issues and values we all share. I am convinced that the object of the Bill is more than a mere consolidation of Government programs. It conveys the vision strong Canada looking to the future. That is why I am proud to take part in this debate.

The existence of a Department of Multiculturalism and Citizenship will be significant for the people of Montreal, Moncton, Trois-Rivières, as well as Toronto, Winnipeg and Saskatoon. It will be just as significant for Quebecers as it will be for all other Canadians' groups, for our native people as for our citizens whose forefathers came here with Champlain or with the Loyalists.

Mr. Speaker, we are debating a bill to establish a new Department. This bill follows a commitment made by the Prime Minister (Mr. Mulroney), on September 25, 1988, confirmed on election night, and reiterated in the Speach from the Throne.

Mr. Speaker, in studying this bill, we will realize its importance for all Canadians. With this bill, we will bring Canadians closer together, and establish a government agency mandated to encourage our people to build a stronger Canada for the future.

Mr. Speaker: It being six o'clock, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 24(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, September 28, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

INTERPARLIAMENTARY DELEGATION

REPORT OF CANADA–U.S. GROUP

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to table in the House, in both official languages, the report of the Official Parliamentary Delegation of the Canadian Section of the Canada–U.S. Interparliamentary Group which attended the thirtieth annual meeting of the Canada–U.S. Interparliamentary Group at Ottawa and Montebello between June 1 and June 5, 1989.

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

Mr. Charest: I am sorry I could not hear, Mr. Speaker, because I have, under the item of tabling of documents, some Order in Council appointments to table.

Mr. Speaker: Does the House agree to revert to tabling of documents?

Some Hon. Members: Agreed.

* * *

ORDER IN COUNCIL

TABLING OF APPOINTMENTS

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I am pleased to table, in both official languages, a number of Order in Council appointments which were made by the government, pursuant to the provisions of Standing Order 110(1).

FEDERAL COURT ACT

MEASURE TO AMEND

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada) moved for leave to introduce Bill C–38, an act to amend the Federal Court Act, the Crown Liability Act, the Supreme Court Act and other acts in consequence thereof.

Mr. Speaker: Shall the hon. minister have leave to introduce the bill?

Some Hon. Members: Agreed.

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

* * *

INTERPROVINCIAL LIVESTOCK TRADE ACT

MEASURE TO ENACT

Mr. Vic Althouse (Mackenzie): moved for leave to introduce Bill C–262, an act respecting interprovincial livestock trade.

Mr. Speaker: Shall the hon. member have leave to introduce the bill?

Some Hon. Members: Agreed.

Mr. Althouse: Mr. Speaker, I would simply like, in having this bill printed, to point out that this piece of legislation seeks to settle the problem of security for producers who sell livestock outside of their own province. A large number of the provinces have internal security arrangements for cattle traded interprovincially, but extraprovincial trade is a federal matter.

• (1110)

This bill would attempt to set up a trust fund to which abattoirs and slaughterhouses purchasing livestock and poultry from farmers outside a province would contribute. In the event of their bankruptcy the producers would not be left wanting their money.

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

Routine Proceedings

CANADA–ALASKA BOUNDARY ACT

MEASURE TO ENACT

Mr. Jim Fulton (Skeena) moved for leave to introduce Bill C–263, an act respecting the international boundaries between Canada and the State of Alaska.

Mr. Speaker: Shall the hon. member have leave to introduce the bill?

Some Hon. Members: Agreed.

Mr. Fulton: Mr. Speaker, this bill is being reintroduced to permanently and legislatively entrench 54–40 as Canada's international land and marine boundary with the United States at the southern tip of the Alaska panhandle, more commonly known as the A–B line.

It is particularly important now because of the hijacking of the MV *Fonzie* and *Viscount* this summer and the kidnapping of the crews by the U.S. Coast Guard.

The debate will fully inform Canadians of the history of the boundary and the need for the Government of Canada to entrench the boundary in law, to fight for the protection of the boundary and to fight to protect the rights of Canadian fishermen such as Skippers Devereaux and Willson from the above–named vessels.

Mr. Speaker: The Speaker of course has no public comments whatsoever on this bill.

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

* * *

NUCLEAR LIABILITY ACT

MEASURE TO AMEND

Mr. Jim Fulton (Skeena) moved for leave to introduce Bill C–264, an act to amend the Nuclear Liability Act (limitation period).

Mr. Speaker: Shall the hon. member have leave to introduce the bill?

Some Hon. Members: Agreed.

Mr. Fulton: Mr. Speaker, this bill to amend the Nuclear Liability Act is vitally required in Canada for the future protection of Canadian nuclear industry workers and for Canadians generally.

The purpose is to delete the 10–year limitation period for litigation and to provide a fair limitation period for victims of radiation exposure and injury.

Modern medicine now recognizes latency periods of up to 30 years for radiation induced exposure. Surely laws passed by this Parliament must recognize medical realities and the rights of Canadians.

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

* * *

PETITIONS

ROYAL CANADIAN MOUNTED POLICE

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, pursuant to Standing Order 36, I have the honour to present several petitions containing the signatures of over 1,500 of my constituents who want to retain the uniformity of the RCMP uniform.

While they are in favour of those changes which will contribute to the safety and comfort of the RCMP, they feel it is imperative that the distinct heritage and the tradition of the RCMP as exemplified by this uniform be maintained. They wish to see continued the proud tradition of their forefathers while ensuring that this legacy will be preserved for generations to come.

REVISION OF EXTRADITION LAWS

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, pursuant to Standing Order 36, I have approximately 6,000 names on petitions. They have been approved as to form by the clerk of petitions.

They relate to the question of our extradition laws. They refer specifically to some individuals who have created concern among Canadians generally. It is my honour and pleasure to present all of these petitions to the House today.

VIA RAIL

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have the honour and privilege of tabling a petition

signed by 34 residents of Canada and users of VIA Rail who call upon Parliament to maintain, improve and modernize VIA Rail service in those areas of the country where it can provide a more rapid, economical, safe, convenient, environmentally sound and energy efficient alternative to other means of transportation.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to table in the House a petition certified pursuant to Standing Order 36 as being in conformity with the rules of this House.

Residents from a number of communities across Canada are concerned about the proposed slashes to VIA Rail. As you would know, Mr. Speaker, there are many communities in northern British Columbia that have no other means of travel in and out of their communities. It is very important that VIA Rail not only in those areas but other areas of Canada be maintained.

[*Translation*]

OPPOSITION TO PROPOSED GOODS AND SERVICES TAX

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, this morning it is my privilege; speaking on behalf of the people in my riding and in towns as far away as Saint-Bruno, Verdun and Dollard-des-Ormeaux, to present a petition which conforms to Standing Order 36, in which petitioners call upon the federal Government to reject the proposed goods and services tax.

[*English*]

I also have the privilege of presenting another petition on behalf of the Seniors Club in my riding whose members are begging us because of the impact on our senior population to reject the proposed goods and services tax.

VIA RAIL

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I have the pleasure to present a petition signed by people from across Canada, 126 signatures, who oppose the proposed cuts the government has suggested to VIA Rail in its budget.

These people believe that VIA Rail is an essential part of our Canadian identity and have signed this petition praying that this Parliament will in fact oppose these cuts and stop them.

Mr. Ross Harvey (Edmonton East): Mr. Speaker, as I did yesterday, as I expect to do tomorrow, as I know my colleagues and I will continue to do for as long as it takes, I rise under Standing Order 36 to present a petition, authorized by the clerk of petitions, to this House.

It is from a number of Canadians who are calling on the government to reverse its policy of the death of a thousand cuts to VIA Rail, calling on the government to enhance the service, not to cut such things as five of the seven weekly Supercontinental runs through Edmonton, not to annihilate train service through Calgary but rather to restore passenger rail service in this country to the effective levels that we all need.

PROPOSED GOODS AND SERVICES TAX

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I rise pursuant to Standing Order 36 to present two petitions, for a total of 60 signatures. They are based on the disillusionment, concern and uncertainty over the goods and services tax.

They humbly pray and call upon Parliament to reject this proposed goods and services tax. This petition is duly certified by the clerk of petitions.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I too rise under Standing Order 36 with regard to the goods and services tax as proposed by the Government of Canada.

This petition is signed by approximately 75 petitioners from across Canada who really believe that the new GST will cause serious and unfair hardship to low and middle income Canadians. On behalf of these petitioners I present this petition and pray that Parliament rejects the proposed goods and services tax.

• (1120)

Mr. Joe Fontana (London East): Mr. Speaker, it is an honour and privilege to stand before this House and present petitions from Canadians from southwestern Ontario who ask this government to reverse its decision on the goods and services tax which will hurt every man, woman and child in southwestern Ontario and throughout Canada.

Mr. Rex Crawford (Kent): Mr. Speaker, I am honoured today to present two petitions to the House pursuant to Standing Order 36.

I humbly pray and call upon Parliament to reject the proposed goods and services tax on behalf of these petitioners, Sir.

VIA RAIL

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is an honour to present a petition pursuant to Standing Order 36. It has been certified correct by the clerk of petitions. It is signed by petitioners from western Canada who are simply distressed that the government has decided to reduce VIA Rail services.

I am speaking for them when I say that they are moved to the point of depression. They are asking the government to reconsider this dastardly decision.

PROPOSED GOODS AND SERVICES TAX

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I rise under the provisions of Standing Order 36 to bring to your attention petitions which call upon the government to show some consideration for the taxes that have been imposed upon Canadians over the past four years.

On behalf of these people who strongly oppose the new goods and services tax which they consider to be unprecedented as a grab from their pockets—and they are hit with not only higher taxes but with higher inflation, higher interest rates and higher unemployment—I call upon the government to stop the tax.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I have the honour today to present petitions from people from the city of Windsor. The petition is duly certified.

It prays that the goods and services tax that is proposed by this government be abolished in its present form.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, the following questions will be answered today: Nos. 76 and 122.

[*Text*]

MR. ROBERT ALBERT CALLIHOO, OF THE MICHEL CALLIHOO INDIAN BAND

Question No. 76—**Mr. Skelly (North Island—Powell River):**

Did the Secretary of State for External Affairs contact Mr. Robert Albert Callihoo, of the Michel Callihoo Indian Band, to discuss the matter of enfranchisement of the Band and was an appointment made with Mr. Callihoo and (a) if so, for what date (b) if not, for what reason?

Right Hon. Joe Clark (Secretary of State for External Affairs): The Secretary of State for External Affairs did not contact Mr. Robert Albert Callihoo of the Michel Callihoo Indian Band to discuss the matter of enfranchisement of the band as this issue was deemed to be neither a constituency matter nor to fall under the mandate of the Department of External Affairs.

LINES OF CREDIT AND LOANS TO CHINA

Question No. 122—**Mr. Kindy:**

For the years 1985 to 1988 inclusive, what is the dollar value of (a) lines of credit and loans given to China by the Government of Canada or its agencies and Crown Corporations (b) loans and subsidies given to Canadian companies to do business with China?

Hon. John C. Crosbie (Minister for International Trade): Insofar as External Affairs and International Trade Canada, the Canadian International Development Agency and the Export Development Corporation are concerned, the reply is as follows:

In the years 1985 to 1988, the Export Development Corporation (EDC) had a Cdn $2 billion line of Credit with China. This was most recently renewed by EDC and the Minister for International Trade in October 1988. The value of loans provided by EDC for China from 1985 to 1988 inclusive was Cdn $472.6 million. EDC does not provide any direct loans or subsidies to Canadian firms.

Support to the private sector for activities in China during the period totalled $5.4 million under the Program for Export Market Development (PEMD), $1.75 million under the National Trade Strategy, and $15 million under the Industrial Cooperation Program of the Canadian International Development Agency.

[*Translation*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—THE ECONOMY

Right Hon. John N. Turner (Leader of the Opposition) moved:

That this House condemns the government for its mismanagement of the Canadian economy, including:

1) the threat to impose a new 9 per cent sales tax that is regressive, inequitable, invisible and inflationary;

2) an unjustifiable high interest rate policy, with an interest rate spread between Canada and the United States that is at record highs;

3) negligence in the management of Canadian trade causing unparalleled reductions in our trade balance and a loss of jobs, and threatening the survival of many formerly thriving Canadian industries;

4) abandonment of Canadian primary producers with resulting undermining of the farming, fishing and forest industries; and

5) continued neglect of regional disparities.

He said: Mr. Speaker, the new 9 per cent sales tax is the ultimate confession of failure of a government which said that it was dedicated to fiscal responsibility.

This government has lost control of the economy. Interest rates are spiralling upward. In five years the total public debt of Canada since Confederation has doubled. Annual deficits are still around $30 billion per year, and all of this despite the largest tax increases during the last five years in the history of our Confederation.

[*Translation*]

The Conservatives have increased taxes 31 times since 1984. If you add up the tax increases for a single-income family with two children and an annual income of $23,600, which in Canada means you are below the poverty line, the Tories increased their taxes by 60 per cent in the past five years. If you happen to be an average Canadian with an annual income of $45,000, thanks to the Tories your taxes went up 30 per cent in five years. If you are wealthy with an annual income of $100,000, that increase was only 8 per cent and if you earn $200,000 annually, it was only 4 per cent. Everybody knows this isn't fair. There is no equity in all this. The same applies to the new sales tax. It isn't fair either.

After letting their expenditures get completely out of control and raising personal income tax levels to the saturation point, Tories are now inflicting on Canadians the biggest, sneakiest and most regressive tax grab in our history. The impact of this tax will be particularly severe on lower and middle-income families. This means that the people in the poorest and most remote regions of our country will suffer most.

How big is this tax, Mr. Speaker? Well, if we add up all personal income tax collected by all ten provinces and the two territories, that amount is still less then what the Tory Government is going to collect from Canadians through its new sales tax. This is a tax that will be paid on practically all goods and services purchased by Canadians: shoes, socks, shirts, skirts, hats and coats, piano lessons, home repairs, plane tickets, stamps, lottery tickets, paper napkins, toothpaste and aspirin. Mr. Speaker, I have only twenty minutes —

[*English*]

The tax does not meet any of the criteria which the Prime Minister of this country and the Minister of Finance set forth for the tax. It does not meet one solitary principle they outlined to Canadians. They have been dishonest about this tax right from the beginning, right from day one.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Listen to what they said, Mr. Speaker. The Prime Minister and the Minister of Finance said that this tax would be revenue neutral. We asked them what this new vocabulary meant. The Minister and the Prime Minister said during the election campaign and prior to that, and I use their words: "Not one penny of additional tax", will be paid as a result of this new sales tax. Those were their words to Canadians during the election campaign. The Minister's own technical paper says there will be $5.5 billion more taken from Canadians.

The Canadian Federation of Independent Business says that that amount is $10 billion more. That is the figure used by the chairman of the finance committee of the House of Commons, the member for Mississauga South, who is in the House. Yet the Minister and Prime Minister said that that member was not right, and yet he

was telling the truth. Now we are faced nationally with a new $29.7 billion tax grab.

Some Hon. Members: Shame.

Mr. Turner (Vancouver Quadra): The Minister and the Prime Minister told Canadians it would be revenue neutral. Saying this tax would be revenue neutral was somewhat like saying that hurricane Hugo was like a warm summer breeze.

[*Translation*]

And what about the visibility of this tax? The Prime Minister and the Minister of Finance told us that consumers would be well aware of the tax and that it would appear separately on the sales slip, so we would see what proportion it would be of the sale price. The tax was supposed to be visible. And then one day, the Minister woke up in a cold sweat.

• (1130)

He suddenly realized that if his new sales tax appeared separately on the bill, consumers would know what they had to pay as a result of the tax and would know exactly who was responsible for this extra cost.

But the most important thing from his point of view is that if everyone knew what the tax rate was, he could not increase it every year as he did with the old manufacturers' tax. The Minister of Finance increased this invisible tax from 9 per cent to 10, 11, 12 per cent, in short by 3.5 per cent in 5 years.

[*English*]

Now the tax will not be visible. It will not be on the sales slip. Instead, the minister is going to give to every business a little sticker to put at the check-out counter. The sticker will say, "Notice: Somewhere in your total bill is the new 9 per cent sales tax. If you cannot afford it, put some of those things back. Have a nice day" signed by Brian Mulroney.

The Minister of Finance and the Prime Minister said they would impose this tax only with provincial co-operation. In 1987 the minister told this House of Commons that without provincial co-operation any such sales tax would be, to use his words, unworkable; not a difficult tax to impose, not harder to do, but unworkable. So what happened? The Conservative government is now imposing a tax on Canadians which they themselves said was unworkable. It is now being imposed without provincial co-operation.

The Prime Minister and minister said that they would remove the income tax surtaxes. They did not. They said they would lower personal tax rates. They did not.

[*Translation*]

The Prime Minister and the Minister said that the tax would be easy to administer, but that is not true!

The Canadian Federation of Independent Business believes that applying the tax will be a nightmare, much more complex that the taxes imposed by other countries; 4,000 new tax collectors—additional bureaucrats; a million small and medium-sized businesses will have to collect the tax for the Minister; every small business will have to spend $2,000 more because of the tax; the Retail Council of Canada says that it will cost $2 billion to collect the "easy to administer" tax; it will take more machines, two sets of accounts, two sets of cheques, two sets of transmittal forms. It is total anarchy for every private business person, for every small business in the country!

[*English*]

The Prime Minister and the minister said it would not be inflationary. On September 14 of this year the Prime Minister said, and I quote him: "If inflation gets out of the bottle, you will go through an enormous amount of agony before you get it back in, and we are not going to let it get out of the bottle".

Did the Prime Minister not read the April budget? That budget says that this 9 per cent tax will cause an increase in consumer prices of about 2.5 to 3 per cent on average. Did he not read the minister's technical paper that is now before the committee on finance? On page 34, that paper says the tax will cause a 2.25 per cent increase in inflation. That is an increase of 50 per cent over the current rate of inflation. This tax will double the inflation rate in Canada. It will not just let inflation out of the bottle, it will be a new and powerful engine of inflation in the economy.

How naive can the Prime Minister be if he thinks business will not try to pass on the tax to the consumer? How naive can the Prime Minister be if he believes that the labour movement will not try to get that tax back in increases in salaries and wages across the country? It is going to cost us more for everything, considerably more.

For example, the homebuilders' association told the finance committee the tax will increase the average house price by $3,000. That is just the average.

What about food? Originally the government said the tax would apply to food. We protested, Canadians protested. We deposited petitions here in the House.

Finally, in response to Canadians everywhere saying:"We don't want a tax on food", the Minister of Finance rose in this House on September 2, 1987, two years ago, and as reported at page 8700 of *Hansard* stated:

> Let me make it absolutely clear. There is no proposal in this document or any other document in Canada to tax food. That is a fact.

Those were the minister's words. That was not a fact. That was pure fiction; that was pure deception; that was not coming clean with Canadians.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): In 1987, we thought that the minister had relented. More important, all Canadians thought so too. Almost every newspaper in the country ran headlines that read: "No tax on food, says Minister of Finance". Now, the minister is laughing at Canadians; laughing at this House of Commons. He says that is not what he said. He said he just said there would be no tax on groceries. He said that he was very precise.

He knew exactly what he was doing. He knew that Canadians would assume that he had meant that he was not going to tax food. What did he do when he saw those headlines? He did not say anything to correct them. What did he do during the election? He did not say a word. He left Canadians with the impression that there would be no tax on food and now he says: "It's only basic groceries". He knows full well that if he had told the truth to Canadians he would not still be in his office as Minister of Finance.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): What is the situation now? All food in restaurants, cafeterias, snack-bars, will be taxed. He is still debating the merits of taxing certain canned and frozen foods, and a whole range of other frozen products. About the only thing Canadians can be thankful for is they will not pay tax on food on trains; they will not get the chance because there will not be any more passenger trains left in the country.

Some Hon. Members: Shame!

Mr. Turner (Vancouver Quadra): The restaurant industry says that the new tax increases their tax burden by 612 per cent. Loblaws warns that food prices could jump by 10 per cent. The minister is proposing a confusing, hodge-podge of rules and regulations which will result in a whole bunch of ridiculous distinctions.

A frozen pizza in a grocery store is not going to be taxed unless it is heated up in the store before you get in. But if you buy a pizza from a pizza parlour, it will be taxed.

The same carton of milk will be taxed if you buy it in a restaurant, but it will not be taxed if you buy it in a grocery store. Milk in a paper cup is taxable in a restaurant, but in a carton it might not be taxed under certain conditions. Under the so-called streamlined accounting procedures milk, might be taxable and tax-free in the same store at different times of the year. That is a shambles, Mr. Speaker. That is ridiculous. How do you expect the corner grocery store, the corner pharmacy to deal with a confusion like this? Mr. Bulloch, in this sense, was right when he called the whole tax a nightmare.

To add insult to injury, the Prime Minister is trying to sell this as a tax cut. He is going across the country and saying: "Look, we are lowering the 13.5 per cent tax to a 9 per cent tax". That is an unbelievably fraudulent way to treat Canadians.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, it does not take a mathematical genius to figure out that a new 9 per cent tax at the retail level on a $300 armchair for your home would come to $27. But the $27 tax at 9 per cent on a $300 armchair is more than the 13.5 per cent tax on the wholesale price of that armchair of $100 which would only be $13.50.

So a retail tax at 9 per cent is higher than a 13.5 per cent tax at the wholesaler distribution level. Anybody can understand that, except the Prime Minister of Canada.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Turner (Vancouver Quadra): Mr. Speaker, we see that not a single criterion announced by the Prime Minister and the Finance Minister has been met. Not one! It is not revenue neutral, it is not visible, it is not easy to administer, the provinces are not participating, the personal income tax rate is not lower, the individual

income surtax is not eliminated and it has an inflationary impact.

This tax therefore meets none of the criteria, the principles set even by the Prime Minister and the Minister of Finance and now they ask us to find alternatives.

There is no alternative to this tax. Get rid of it! Do not impose it. Go back to the drawing board. That is the alternative!

• (1140)

[*English*]

This tax cannot be salvaged or rescued. It does not meet any of the principles which the Prime Minister and the Minister of Finance set forth to this House. This tax is nothing but a licence to print money for the government. It is a licence that Canadians want revoked. This tax is coming out of their pockets. It is coming out of our savings accounts, pension cheques, family allowance cheques, unemployment insurance cheques, our budgets for clothes and shoes, and it is on top of rental payments, mortgage payments, and utility bill payments.

As I said to the students at Dalhousie last week and will say again at the University of British Columbia on Monday, for the first time in the history of this country we have a tax on learning, a tax on reading, a tax on literacy, a tax on books. Yet, the Prime Minister, talking to his national convention a few weeks ago, said that education was the priority in the next four years of his government. What a farce! What deception!

It is a tax on pollution-control equipment from a government that said it would do everything to stop pollution. It is a tax on sickness. It is a tax on housing. It is a tax on raising children. It is a tax on the necessities of life. For God's sake, Mr. Speaker, it is even a tax on death.

It is a tax to pay for the government's own mismanagement. It is a tax to pay for the government's own incompetence. We will all pay hundreds and thousands of dollars more for the simple reason that the Tory government has made a complete mess of the fiscal situation. They botched it and now they want Canadians to try to rescue them and pay the price. Well I say, Mr. Speaker, it cannot be rescued. It cannot be tinkered with. It is so fundamentally flawed it has to be scrapped and the minister has to go back to the drawing board and withdraw the tax.

We intend to fight this tax all the way. It is a bad tax. We are telling this government it is time to scrap this idea and go back to the drawing board. Canadians are fed up with the dishonesty behind the tax. Canadians are fed up with this 9 per cent tax. They are fed up with this government.

I say to the Prime Minister: "You had better listen to what the people of Canada are telling us and your own members." It is coming in loud and clear whether you live in Whitehorse, Vancouver, Toronto, Trois-Rivières, Halifax or Corner Brook. It is coming from ordinary Canadians, from the elderly, from seniors, from our students, from single mothers, from the business community, and it is virtually unanimous. It is saying to the Prime Minister of this country: "Scrap this tax. No more double talk. No more of these extravagant newspaper ads. No more phoney sales pitches. No more of this tax. Scrap it, get rid of it, and bring us back something that makes sense".

Some Hon. Members: Hear, hear!

Mr. Speaker: I will recognize the hon. member for Hamilton East on questions and comments. I will come to the hon. member for Kamloops in a moment.

Ms. Copps: Mr. Speaker, I think we have just had an impassioned analysis of the situation. I would like to ask the Hon. Member for Vancouver Quadra whether in fact, given the parameters of this tax, and given the fact that everything the Prime Minister said he did not do he has done, do you think that the Prime Minister will actually listen to Canadians and listen to the Leader of the Opposition? Do you really think he will scrap this tax?

Mr. Turner (Vancouver Quadra): I think if the Prime Minister listens to Canadians, if he listens to his own members of Parliament, some of whom are in the Chamber today, if he travels about the country as all of us are travelling listening to our own constituents and Canadians everywhere, he will not only get the message, he will start feeling the heat.

If I were the Minister of Finance I would listen very carefully to the daily pronouncements of his Prime Minister because I think the Prime Minister is wavering.

If I were the Minister of Finance I would feel the Bunsen burner right under my backside.

Mr. Riis: I listened very carefully to the speech of the Leader of the Official Opposition, and I agreed with virtually everything he had to say. I have a question. I heard him say that he was against this sales tax, that this is a mean and a terrible tax, and he had a whole host of good critical comments to make. The question I want to put to him is a very simple one. Does he and his Party oppose the concept of a consumption tax? Would he commit himself and his party today to never, ever supporting a consumption tax of this nature, that they are against the idea of imposing a sales tax on the people of Canada? Perhaps a very tight answer might be appropriate for this question.

Mr. Turner (Vancouver Quadra): Only a government has the authority under our rules to bring in a tax. As you know, we cannot amend it from the floor. It has to have the warrant of the Crown signed by the Minister of Finance in order to make it applicable.

We are examining a tax that does not meet any of the criteria which the government itself put on a tax, criteria which we stated in our minority report in the last parliament were necessary even before you could consider a value added or a consumption tax, or something of that sort. We said it would have to be visible if there were any way we would ever contemplate it; it would have to be provincially drafted and co-ordinated, and it is not; we said there would have to be some progressivity in it. It is so warped on the basis of the minister and the Prime Minister's own criteria that there is no way, in our view, that it can be improved, or amended. You have to go right back to the drawing board.

We said during the election that we were against the sales tax. We still are. We would look at a better combination of progressivity, at a better balance between taxes on the various elements in an economy than this.

Also, it has to be looked at within the general scope of the economy. Fiscal and monetary policy have to be taken together. Also, consideration must be given to what the government has allowed to happen to our exchange rate as part of the secret deal that I believe exists with the United States under the trade agreement.

Mr. Riis: I appreciated the response given by the Leader of the Official Opposition. I have been trying to think, while he was making his very thoughtful presentation today, how we differ in terms of the Liberal Party and the New Democratic Party. I think I have found the way.

We are clearly of a mind that we oppose the principle and concept of a national sales tax, of a consumption tax, of a tax on consumption of any kind. We totally oppose it. I think what I am hearing the Hon. Leader of the Official Opposition say is that, on principle, they do not necessarily oppose that, but they oppose this particular tax. This is a mean, rotten, bad tax, there is no question about it. But perhaps in another form, in another way, they would consider it.

If we are trying to figure out how we do differ, because we are both fighting this tax, would he agree that perhaps this is the way that we do differ? We oppose it on principle and you really buy the principle, it is just that you really oppose this particular tax?

Mr. Turner (Vancouver Quadra): I want to suggest to the Hon. Member for Kamloops, who in an earlier incarnation shared a lot of our views, that he can read what he wants into what I have said, but should not put too much confidence in his reading.

• (1150)

The real difference between a Liberal approach to taxation and an NDP approach to taxation is that someday we will have to implement it.

Mr. Speaker: The hon. member for The Battlefords—Meadow Lake.

Mr. Taylor: I wish to follow up my House leader's question from a few minutes ago in terms of the way in which the Leader of the Official Opposition is opposing this goods and services tax. The wording of the motion is quite specific. The first item reads:

> 1) the threat to impose a new 9 per cent sales tax—

Could the Leader of the Opposition clarify that the comments he made throughout his well-argued speech would also apply to this item if it read 4 per cent sales tax, or 7 per cent sales tax? Do his arguments apply to any number there, as opposed to the specific 9 per cent which is mentioned in his motion today?

Mr. Turner (Vancouver Quadra): I want to thank the hon. member for listening so closely to what I had to say. I hope he profited by it, and I hope it is reflected in his own speech when he addresses the House.

I said that the tax is so flawed you cannot tinker with it. That means you cannot play with the numbers.

Mr. Speaker: The hon. member for Winnipeg South.

Mrs. Dobbie: I would like to ask the hon. member, since he sees that this tax is such a negative tax and such a blight, according to what he has had to say, what concrete and positive proposals he would like to bring to the Canadian people as an alternative to this tax?

Mr. Turner (Vancouver Quadra): The hon. member is entitled, representing a constituency in this country, to put that question. Before I answer it fully, she really should assure me that what she reflects carries the support of all the people in her constituency. We heard her colleague from Edmonton deposit about 6,000 names representing what his constituency feels. I wonder whether she could assure us that she speaks for her constituency and that the people are behind that tax as she seems to indicate she is.

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, I have listened very carefully to the speech by the Hon. Leader of the Opposition. Since I am getting on in years, I have discovered that much of what is too exaggerated does not exist. I feel that to be so negative on so many points indicates a certain weakness in the argument.

What he has convinced me of is that we are not doing this because we intend to win a popularity contest. We are doing it because this government has a long-term plan to build a strong economy for Canada. The plan is aimed at such vital objectives as reducing our deficit, controlling the growth of national debt, of removing obstacles to Canada's economic growth, and fostering innovation and competitiveness in the business sector.

Our plan is working. There are factual independent measurements of its progress because 1.5 million new jobs have been created in Canada over the past five years; 86 per cent of them full-time, and 57 per cent filled by women. Unemployment rates have dropped in every region of our country. Youth unemployment has dropped by 7 per cent as more and more Canadians have joined in our economic renewal. The economy has expanded by 20 per cent. Business investment is up by 95 per cent, and average after tax disposable income is up by $1,600. The government's annual deficit has been cut by about $9.5 billion below its level of 1984–1985.

Our plan is also aimed at providing more assistance to Canadians in need through our social programs. That is something the opposition always seems to forget. Only by having a dynamic economy, led by a vibrant business sector, coupled with a fair and effective tax structure, can we provide these services today without imposing an insupportable burden of debt on future generations.

I have listened carefully to the comments made by opposition members about our comprehensive proposals for sales tax reform, and frankly, I am not very impressed. I am waiting to hear their proposals for sales tax reform. How could they replace the current manufacturers sales tax, a tax that has been universally condemned by nearly every interest group in this country as a destructive, discriminatory, and unfair tax?

This important reform of our tax system is an essential element of the plan for economic renewal that this government began five years ago.

[*Translation*]

As far as interest rates are concerned, I maintain that it would be irresponsible and in fact counter-productive to lower rates before inflationary symptoms have eased off. It would certainly not be a good way to manage the economy. There would be a heavy price to pay for any short-term relief that might result. Business, labour and other levels of government must realize that this Government will not tolerate measures that are inflationary. However, to beat inflation, both the public and private sectors of our economy must be involved.

The federal Government will continue to implement responsible monetary and financial policies in order to defuse inflationary trends. As inflation eases off, we will see the benefits as reflected by a drop in interest rates, a more competitive economy, stronger growth, more jobs and a higher standard of living for all Canadians.

[*English*]

Our GST package, and I stress "package", contributes to these objectives. First, by contributing to the deficit reduction effort and ensuring that we can continue to pay for programs and services Canadians value. Second, by helping to ensure that Canada can compete in the world economy. Third, by improving the over–all fairness of the tax system.

Since we released our proposals in August, a number of misconceptions about the GST have arisen. I welcome this opportunity today to put these misconceptions to rest and to get the facts on the table.

To begin with, it can be taken as a given that we would all prefer taxes to be lower rather than higher. That goes without saying. But it also goes without saying that they are a necessary part of a civilized and modern society. The government knew that its proposals would be controversial.

No one likes taxes and we recognize the sacrifices that Canadians have been asked to make to help deal with the deficit. Life could have been easier for all of us if we had been content to let the subject of tax reform drift, as past governments have done. But, for a government that takes its responsibility seriously, that was just not acceptable. Our objective is to have the fairest and most efficient tax system that can be designed.

• (1200)

[*Translation*]

Very few Canadians are aware that they already pay a hidden federal sales tax of 13.5 per cent when they purchase manufactured goods. They do not realize that this 13.5 per cent manufacturer's tax generates production losses of as much as $9 billion annually for Canadian businesses, exporters and workers.

The present tax has another drawback: widely varying rates increase the risk of distorting consumer choices.

If prices contain distortions, it is practically impossible to make an informed choice. Our economy's resources are not being used to their fullest extent. We cannot maximize our production potential and that has an impact on jobs.

The existing tax is very complex. It applies to only 75,000 businesses but has generated 22,000 special provisions and administrative interpretations.

Under the existing federal tax, which may be as high as 19 per cent on certain goods, we are taxing business inputs while our foreign competitors do not. Our entrepreneurs are therefore at a disadvantage, both domestically and on foreign markets, and this has an impact on employment.

Furthermore, with the exception of automobiles where the tax affects wholesalers, the taxable value of imported goods does not include the foreign manufacturer's marketing and distribution costs, while these are usually included in the value of domestic goods.

This means that on average, the amount of tax paid on most Canadian goods is almost a third more than the tax collected on imports. The importer pays a lower tax and can therefore sell more cheaply. This, too, costs jobs.

The federal sales tax as we know it today goes back 65 years, to a time when production and distribution patterns were relatively simple. However, the economy has changed drastically since then, and Canadians must move ahead.

Sixty–five years ago, manufacturers manufactured and distributors distributed, with little involvement in retail sales. Today, the situation has changed. Many retailers are involved in manufacturing, and some manufacturers are directly involved in retail sales. Other industrialized countries are in the same situation and have adapted their tax system. Today, only Canada has maintained a tax on manufactured goods.

[*English*]

I think it is safe to say that the GST is not a well kept secret and that by January 1991 we will make sure that consumers are well aware of how much GST they are paying. Certainly GST is going to be much more visible than the present federal sales tax that is buried throughout the production process. The GST is part of the five–year fiscal plan put forward in the April budget which will see the government's cash requirement reduced year by year to zero. The GST has been designed as an integral part of our fiscal strategy.

I would like to remind the hon. members that the GST is a carefully balanced package. In order to change one element other parts must be balanced. If the rate were to

be lowered another element would have to change. The base would have to broaden, the credit lowered or the deficit increased.

Canadians know by now that our government is serious about revitalizing the Canadian economy and ensuring a strong and prosperous future for this country.

Our record since 1984 speaks for itself. Our critics do not have a monopoly on compassion and fairness when it comes to dealing with Canadians who need assistance. Our government is committed to reforming the tax system to ensure fairness for Canadians right across the country.

We are serious about reducing the cost to government and about reducing the deficit. At the same time we are serious about maintaining the services that Canadians look to their government to provide. The goods and service tax will ensure that these goals are met.

[*Translation*]

Mr. Bellemare: Mr. Speaker, I have a question for the Minister who was a journalist at the newspaper where I was a cartoonist when I was a university student. I congratulate him for being the Minister responsible, but I have this question that I want to ask him. I am still thinking about the time when I was a student and the Minister was encouraging students. Does the Minister propose taxing cartoons? Does the Minister propose taxing comic strips? Does the Minister propose taxing comic books intended to help educate young people? Does the Minister propose taxing school texts? Is the Minister for students and young people? The Minister said that we had to talk about being fair, I heard him mention the words fair and civilized, and that Canadians have to keep up with progress. Mr. Speaker, is beating up on youth and students progress?

Mr. Loiselle: Mr. Speaker, I believe that my hon. colleague is raising an extremely important question. When this tax, this reform project based on a multi-stage tax, was considered, we paid a great deal of attention to fairness. That is why instead of making the choices for the citizens ourselves, we ensured that they would make the choices themselves and those who have less freedom of choice because they have less income, in particular students, would receive compensating credits.

As for books, you must understand as well that we granted special provisions for universities, libraries and public agencies. This is not a tax on culture, if you will. To be fair and equitable, for the rate to be low, the tax must apply to as many items as possible. Otherwise, it is taking from one pocket and putting in another. But to restore fairness to a system, I agree with him that without credits and compensating measures, it would be an unfair, regressive system. We have what has been described by the taxation office as perhaps the fairest system in the world, according to tax experts' studies.

[*English*]

Mr. Rodriguez: Mr. Speaker, I listened to the hon. minister very carefully. He is a man of honour and I have a great deal of respect for him. I have had dealings with him in the past and I have some respect for him.

I find it rather strange, because when a goods and services tax was first announced by the government Canadians were told that it would be revenue neutral. They were told that it would be visible. They were told that it would be simple. They were told that it would be integrated with the provincial scheme.

We did not hear at that time about this tax being used to reduce deficits. We were not being told that this was going to be used to reduce a national debt. We were not told that this would involve some 6,000 bureaucrats which has got to be an anathema to any true Conservative.

• (1210)

Canadians are getting a little bit cheesed off with the lying that is going on; they do not like to be lied to. This government promised that it was going to be revenue neutral, and now we are hearing that once this cash cow gets into the barn the government is going to run off into the stable and pull a few billion dollars off this cow every time it needs it to reduce the deficit or the national debt.

Why? The question is: "Why has this government lied to Canadians and why does it continue to lie to Canadians?" That is the question, Mr. Speaker.

Mr. Loiselle: I thank the hon. member for Nickel Belt for his question and his remarks. I would tell him that we did not lie. We have explained from the beginning that the purpose of this type of mechanism of tax reform would not be used *per se* to increase the revenue of the government. We said it would be used to replace a bad

tax, the present federal sales tax, and to make it, I would say, not regressive.

I think the hon. member would agree with me that we have devised a system of credit because we have also promised that it would not hinder affordability of housing. So the package in itself is a very well balanced package and it does not in any way bring additional revenue to the government for other spending.

As far as visibility is concerned, I would be inclined to smile at this because the tax does not exist and it is probably the most visible thing in the country at the present time and will remain so, as it is in other countries, for the future.

As far as a national tax with the provinces is concerned, for two years we have worked with the provinces to try to arrive at a system, which we would have preferred. We know that to implement such a tax is a difficult political thing to do, even if it is necessary. To get 11 governments to come together at the one precise time is not an easy objective to reach. We have tried to do it but we can understand and respect the other governments of the provinces that do not have the problem we have with their sales tax, which is a rather straightforward consumption tax. It works. In our case we have a disastrous tax.

He talks about revenue and deficit reduction. We know that the present sales tax is extremely porous. While we increase the rate the income keeps going down proportionately because manufacturers will find ways of escaping and avoiding the tax. Through the new system, which is much more modern and which has been chosen by all modern countries, we will prevent our revenue from disappearing and in this way we will help reduce the deficit.

Mr. Taylor: Mr. Speaker, in asking my question I want to make it very clear that I oppose the tax and think it should be knocked out completely, not tinkered with. But the government and the finance committee have indicated on a number of occasions that they are prepared to do some tinkering with the tax. If that is as close as they can come to listening to the people of Canada and will go ahead with that tinkering, while I reject that idea I will ask a question of the minister who on other occasions has indicated a great knowledge of the credit union system in Canada.

The credit unions have said that they would be disproportionately taxed by the new goods and services tax. In their submission before the finance committee they talked about financial services being exempt. However, when the GST goes into effect credit unions will have to pay the tax on shared networks, training, consulting, tax processing, and cheque clearing because of the way their system is set up. Can this minister inform us in the House if plans are under way to continue to tinker with this tax to change it to apply to the credit unions?

Mr. Loiselle: I would like to thank the hon. member for a very important question. Indeed the problem he has indicated to me is a serious and difficult one. I would like to inform him officially today that we are aware of the particular situation facing the co-operatives and credit unions and that we are going to find a way of solving that problem because we do not want to be unfair to this movement.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I must say that I am absolutely delighted to participate in the debate today and pleased to have an opportunity to lend some commentary toward the motion that simply describes the host of ways in which this government has mismanaged the Canadian economy and, as my colleague from Nickel Belt said earlier today, how we have been exposed to a whole set of lies by the government. I suppose we might as well call a spade a spade and simply call it that.

When you look at even a small part of Canada—and I refer simply to the constituency that I have the honour to represent, the Kamloops constituency—we have had again a whole host of mistruths stated regarding what this government would do for our area. For example, it suggested that it would enhance VIA Rail service. Now we find out that it is going either to eliminate totally VIA Rail service in some parts of Canada or curtail it very seriously.

Then it said it was going to support more post-secondary education. Yet before us on the Order Paper there will soon be legislation to cut back on transfer payments to the provinces for post-secondary education.

It said it was interested in helping develop our forest resources, yet the government refuses to sign the forest agreements with the province of British Columbia to add funding for reforestation, silviculture. It simply suggests

that we go to the Western Diversification Fund. We are not talking about diversification of the economy; we are simply talking about enhancing the forest resource.

It suggested that it would help the mining industry. Rather than helping the mining industry it is eliminating programs that encourage the exploration for more and new mineral deposits.

It said that it was concerned about illiteracy and we saw that it brought in a tax on reading. I think we are now the only country in the world where the government has imposed a tax on books, periodicals, magazines and reading material to make it more expensive and therefore a disincentive, if you like, to encourage people to develop their reading and analytic skills.

The government said it would help ranchers because of the severe drought situation. There are huge cattle ranches in the central interior that receive no drought assistance and support at all.

It said it would enhance tourism and yet refuses to sign a new tourism agreement with the province of British Columbia. As the tourist association told the finance committee last night, about 30,000 jobs will be lost in this sector because of the 9 per cent sales tax that will be introduced on all tourist services, which will essentially price a good number of our tourist operations out of the market.

It said it would clean up the environment, yet refuses to help any of the municipalities and towns across Canada develop their sewage treatment facilities in terms of a cost sharing basis with the provincial governments which are quite anxious to participate. It promised a comprehensive child care program and then reneged on that child care program; it has abandoned all intentions of supporting that.

It said it would enhance the fishing industry, and we have found out in the last number of days that the fishing industries on the east coast and the west coast are in a state of crisis, a state of collapse, because of the policies of the government.

I could go on and on. The Prime Minister has heard this list before and simply has to stand there and agree that "yes, this is the case; that in spite of all of these promises that we are going to take all of these different initiatives, we have reneged on them all. We have broken the promises that we have made. We have lied time and time again and that is just the way the world is."

I will tell you, Mr. Speaker, Canadians are fed up with that Tory world and when they get another chance to go to the ballot boxes, once again this will ensure that this set of promises will never even be listened to again in terms of a future government of this country.

I want to, before I get into an analysis of the 9 per cent sales tax, simply refer very briefly to the free trade agreement. While the government was jamming this legislation through the House of Commons it indicated that all sorts of economic opportunities would take place in Canada. Everybody else who had analysed the free trade agreement clearly found once that border was removed, the industrial sector and business sector of Canada would move their operations to the United States where they could produce their materials more cheaply for a whole host of reasons.

• (1220)

Now we have, of course, a very long list of companies that have done just that and have taken advantage of the ease of moving their operations to the United States.

I just want to read a handful of these into the record as an example of this particular transfer of jobs south or, as others call it, the Americanization of Canada: Canron Incorporated shifted production to its plant in Columbia, South Carolina. Burlington Canada Incorporated moved its plants into Georgia and Virginia. Hartz Canada moved its production to a number of United States plants in the deep south. Picker International Canada Incorporated transferred its production to Cleveland, Ohio. International Playing Card Company moved its production to Cincinnati, Ohio. Star Suspension Industries moved its product development to the United States parent plant.

Woodbridge Group moved down to Mexico, again to take advantage of free trade areas on the Mexican–U.S. border. Bendix Safety Restraints moved its plants to Alabama and to the Mexico zone. Marr's Leisure Products moved its production to Newberry, South Carolina. Takahashi Industries moved its production to Seattle, Washington. Executive Dental Supply moved its production to Pullman, Washington. ITW Shakeproof moved

production to Tennessee. Advanced Gibson Canada moved down to Pennsylvania; and Progress Company moved its plant to Philadelphia, Pennsylvania.

K. T. Industries downsized and moved its production facilities to Fort Wayne, Indiana. Northern Telecom, with hundreds of jobs to a total of 1,500, shifted its facilities into Dallas, Texas and down into the southern part of California. United Maple Products moved its production to Vermount. Canadian Coleman moved down to Texas and Kansas. Leviton Manufacturing transferred its production line of electrical goods to the United States, again down into the Mississippi area. I could go on and on, Mr. Speaker.

I just repeat that we now have literally dozens and dozens of major Canadians firms that have moved their production into the United States. There has been the transfer of over 50,000 Canadian jobs into the United States as a result of the free trade deal. We are seeing our worst fears being realized.

However, I want to turn my comments today to the 9 per cent national sales tax, the goods and services tax, or the grief and suffering tax that has become more associated with the title.

I looked at the newspapers this morning that were referring to this tax, as different groups have commented in the last two or three days. Some of the names they used to describe the tax were: a very bad tax, an insidious tax, an oppressive tax, a ridiculous tax, a regressive tax, a vicious tax, a mean tax, a cruel tax, a harsh tax, a punitive tax, a brutal tax, a destructive tax.

I have been looking in newspapers now for the last three weeks at virtually every article and I have yet to find a single group, a single organization, a single agency, a single person with credibility in the tax area that supports this tax and says this is a good idea. The only exception is the Prime Minister and the Minister of Finance.

I see the hon. member from Edmonton here. I even hear a whole host of Conservative back-benchers say that this is a terrible tax, that they should not be introducing it and that the Minister of Finance should not be pursuing it at this point. Every Premier across Canada and every single group that has spoken out in the last couple of weeks have spoken against this tax.

Even the Liberal party has spoken against this tax. I think it is appropriate to make the comment that what the Liberal party is saying is that it does not support this 9 per cent tax. It might support a 7 per cent tax or a 6 per cent tax with some modification and so on.

Some Hon. Members: Oh, oh!

Mr. Riis: My hon. friends can ask me some questions to elaborate on this at the end of my speech, but it appears to me that the Conservatives think this is a deliriously wonderful 9 per cent cruel, mean tax that they want to impose on the people of Canada. The Liberals are not quite sure that this is the kind of mean, cruel tax that they would impose, but they would modify it somewhat and make their imposition.

I will say that there is one party that will never impose a sales tax, a consumption tax on the people of Canada, and that is the New Democratic Party, never.

Let me continue with what this tax does, this mean, cruel, horrible tax.

An Hon. Member: It is a crushing tax.

Mr. Riis: A crushing tax, as my hon. friend indicated. When he says "crushing", he means crushing. This is going to crush the life right out of the economy. It is going to crush the kind of lifestyles that people have been struggling to develop over the last little while.

A typical Canadian family today is going to have not $100, not $200, not $500, but $850 yanked out of its pocket every year as a result of this tax. T hat is the most modest estimate. I have all sorts of information here.

For example, the Consumer's Association of Canada, which has a very through research branch, says that every man, woman and child will be hit with at least $1,000 a year in additional taxes as a result of this 9 per cent tax. That is not the New Democratic Party saying that; it is the Consumer's Association of Canada that says $1,000 a year, at least, for every man, for every woman, for every child. For a typical family of four it is $4,000 minimum that will be yanked out of its pocket.

Not only will those people not have that money to purchase necessary goods and services, but the community will not have that money. In a community like Kamloops with a population of 65,000 people, at $1,000 a

person hundreds of thousands of dollars each day will be yanked out of that community, dragged down to Ottawa to be spent on some pretty peculiar and questionable uses.

That is not the way you generate economic activity, by taking away that money that could be used to purchase goods and services, certainly those necessary goods and services. What is going to be taxed? From the crib to the coffin, from haircuts to movies, from laundries to lawyers, from kids' snowsuits to hunting licences. These are all new areas that have never been taxed before.

This is the largest tax grab in Canadian history since the imposition of the personal income tax which the government of the day said would last just a couple of years. Back in 1917 the government said that this was a tax to get us out of debt as a result of the war effort and that as soon as we are out of debt it would take away this personal sales tax. We know that personal sales tax has stayed in place and has gone up until now when we have this crushing burden of tax including personal tax, excise tax, and gas tax. Now we are going to add another big tax on our back. This is a party of tax, tax, tax. The Conservative Party is a tax party.

The Minister of Finance will know that since this government came to office in 1984 the average family in Canada has paid at least $1,300 more in federal taxes, and now we are just going to be slammed between the eyes with another 9 per cent consumption tax on all these goods and services.

Nobody can imagine a government that says: "We have got a great idea. We are going to tax snowsuits for children. We are going to tax children's books". Imagine taxing children's books.

Imagine taxing haircuts. My dad is 86 years old. When he goes down to get a haircut with his pension he is going to have to pay a Mulroney sales tax of 9 per cent on his haircut; when he buys his shirts and when he goes to a movie—on everything. This is a cash cow that this government has created to generate, not millions, not thousands of millions, but billions and billions of dollars in additional funds every year.

The economy cannot take it and Canadians will not take it. That is why we say that this government has to back off on this tax initiative. It is not only the New Democratic Party that says this is a tax that we must not proceed with. There are some other groups that you would be interested in hearing from, Mr. Speaker. The Canadian Federation of Independent Business opposes this tax. The Canadian Organization of Small Business opposes this tax. The Consumer's Association of Canada opposes this tax. The National Council of Welfare opposes the tax. The Canadian Home Builder's Association opposes this tax, because it says that this tax will add thousands of dollars to the price of a new home.

We already know that the housing market is overpriced now and that it is virtually impossible for young Canadians to even consider owning their own home. This government's solution is to tax it again, raise the tax on the price of a new home. But it says: "Well, we are going to exempt rental". That is only partially true because all of the inputs into rental housing, the janitorial services, repairs, renovations, heating, advertising fees, landscaping and maintenance will all be taxed and one can rest assured that the landlord will take those additional 9 per cent taxes and pass them along in terms of the rent. Indirectly, even rentals will be increased substantially as a result of this tax.

• (1230)

That is not all. Wood Gundy, one of the most outstanding financial analysts in the country, has said this is a punitive, mean-spirited tax. The Coalition of Senior Citizens opposes the tax. The One Voice Seniors Network strongly opposes the tax. The Canadian Conference of the Arts strongly opposes the tax. The Canadian Association of Universities opposes the tax. The Canadian Bar Association opposes the tax.

The Canadian food industry is deliriously in opposition to taxation when the pizza at Pizza Hut will be taxed 9 per cent and the pizza you buy in the grocery store will not be taxed. What kind of nonsense is this? What kind of an unfair, biased, discriminatory tax is this? Not surprisingly, the industry opposes it. The Conference Board of Canada opposes it.

I think if we were to honestly analyse the process, we would say that the Conference Board of Canada, with its first-rate research department, looks carefully at these kinds of initiatives and then makes its observations. It came out strongly in opposition to this tax saying that it is going to cost thousands and thousands of jobs. The Conference Board of Canada said that this 9 per cent tax

will lose tens of thousands of jobs in this country. We have to listen to this group.

I do not understand the government. When it is confronted with the Canadian Bankers Association, its friends in the banking community, the Institute for Policy Analysis and its own back-benchers, to whom does it listen? To whom is the Minister of Finance listening? I have yet to hear a single group stand up and say it thinks this tax is a good tax.

Why are people not to trust this Minister of Finance? He said at the beginning of this process that the tax would be revenue neutral, that as we phase out the manufacturers' sales tax, we are going to impose a sales tax but we are not going to make any money out of it. That is not true. Already, this is billions over what the manufacturers' tax brings in. It is billions and billions of dollars over being revenue neutral.

The Minister promised that the tax would be simple. We are seeing quite the contrary. I have here the brief of the members of the Canadian Federation of Independent Business who again are almost unable to speak when they refer to this tax. John Bulloch, one of the most outstanding supporters of the government on almost every issue, says that this government must fall, that the Minister of Finance must resign, and that they ought to be hanging their heads in shame as they back off on this tax and start over with a fair system. He points out on behalf of the small business community that this tax is unworkable, that it cannot be done and is going to be punitive to small business. Small business is all tangled up in red tape now and they have tax collectors hassling them day and night. What will this do? We will have to hire not one, not two, not five, but maybe 10,000 more tax collectors.

New Zealand, with a population of 3.3 million, has over 5,000 new tax collectors. We have a population of 26 million, so when that is factored out, we can say we are going to have thousands more tax collectors now.

I do not know why my friends in the Conservative benches are not up in their seats shouting and yelling today because the small businesses in their communities are going to be harassed beyond belief with new paper flows. There will be a blizzard of forms coming into those businesses and tax collectors will be hassling them. Mr. Bulloch says it is going to cost at least $2 billion for just the small business sectors to comply with this tax.

The Minister of Finance said that he would not proceed with the tax unless the provincial governments co-operated and we would have a melded provincial-federal tax. That has gone by the board completely. Now we are going to have a combined federal-provincial tax in British Columbia of 15 per cent. In Newfoundland it will be 21 per cent and it will be changing right across the whole country. What a mishmash. Not a country in the world has a tax system of that nature.

The minister promised that the tax would be visible on all sales slips. We all know that they have abandoned that promise a long time ago. It will not be visible.

There is so much more one could say and should say. The New Democratic Party not only opposes this tax but opposes the principle of this tax. This is a regressive tax. When a poor family buys snow tires for the winter coming up and has to pay a 9 per cent sales tax and the wealthy family with an income of $200,000 a year buys those same snow tires, they both pay the same amount of sales tax. How is that fair? How is that just? How is that equitable? That just points out the discriminatory, biased nature of this tax to the middle-income and low-income families of the country.

We as New Democrats oppose this 9 per cent tax. We do not care if the government reduces it to 8 per cent, 6 per cent or 5 five per cent, because we know very well that within a matter of time, it will be jacked up to 10 per cent, 15 per cent, 20 per cent. Some European countries now have it has high as 22 per cent.

In closing, we oppose not only this tax initiative, but we oppose the principle of a consumption tax as being regressive, mean and unfair. We will do everything that we possibly can in the intervening period to convince the government, along with many of the Conservative back-benchers, to stop progressing with this particular tax, to go back to the drawing board and to start over with real tax reform that is fair and ask those corporations and those individuals who are not paying their fair share to start paying their fair share.

Mr. Jelinek: I have a very simple question for the hon. member. He says that he and his Party oppose categorically any consumption tax. I would like to ask him whether he supports and agrees with the existing federal manufacturers' sales tax. As a former businessman and as a former manufacturer, I know from experience that the existing manufacturers' sales tax is a major obstacle for Canadian manufacturers and producers in terms of

fairness, competitiveness and international trade opportunities.

Obviously, the reason for this government's move in proposing a fairer system, which we believe the GST is all about, is to give Canadian producers and manufacturers an opportunity to be competitive both domestically and more importantly, internationally so as to compete on a level playing field which they are not doing today.

The hon. member knows full well that 48 countries around the world have a similar tax to the GST, a value-added or consumption tax, therefore giving an advantage to all of those manufacturers in those countries over our manufacturers in our country. Unless we remove this obstacle, we will not create the opportunities for our manufacturers and producers to create the type of competitive spirit that is held elsewhere around the world and therefore to create the jobs that are necessary to be created.

Does the hon. member support that existing tax? If he does not, what would he and the New Democratic Party replace that tax with? That tax, as he well knows, brings in revenue of some $18 billion today which goes toward many of the social programs as well as many of the things that both my hon. friend and I believe Canadians want, desire, need and will continue to have.

I would like the hon. member to say what he and his party would propose to replace the existing manufacturers' sales tax, if in fact he is opposed to that sales tax and agrees with me that it is an obstacle in the way of Canadian producers and manufacturers.

Mr. Riis: I appreciate the question of my hon. friend. Yes, indeed, the manufacturers' sales tax has to go. The Minister of Finance on occasion has referred to the existing manufacturers' sales tax as a killer of jobs. I think he used that term, Mr. Speaker. You remember that he said it was a killer of jobs. Yet I am puzzled because if this is a tax that kills jobs, why would the government increase it time and time again? I remember back in 1984 when the Conservative government took office, it was 9 per cent. Now it is 13.5 per cent and I am curious why a government that identifies a tax as a killer of jobs, that creates an unfair advantage for foreign importers against our own manufacturers, would increase that tax once, twice, three or four times. I am not referring to the hon. member, but the government itself. It is a bit hypocritical to be saying that this is a killer of jobs and then to keep increasing the tax so it can kill off more jobs.

• (1240)

To answer my hon. friend seriously, yes, we believe that the manufacturers' sales tax should be phased out over time. I do not think we have to drop it from 13.5 per cent to zero overnight, but there should be a commitment to phase it out over a period of time that would make sense to the manufacturing community and we should replace it with some changes to our tax system.

Let me offer three or four examples. The United States has in place a minimum corporate tax .The Reagan administration back in 1986 saw all of these corporations that paid no income tax and said that was wrong and that they should pay some, so it introduced a minimum corporate tax. We say we should do that in Canada. As we all well know, there are 60,000 profitable corporations in this country that do not pay a penny in income tax, let alone 50 cents. Let us have the minimum corporate tax to generate some new revenue like they have done in most other countries.

Second may I humbly suggest that many of the corporate tax incentives, the tax exemptions, or the tax loopholes, are not necessary. Billions and billions and billions of dollars each year are lost from our federal treasury through silly corporate tax loopholes. Even the corporations say they are silly and that we do not get the bang for the buck. It costs us $500 million for a certain tax incentive and we do not get very much in return. Let us close off some of these large corporate loopholes.

Mr. Dorin: Name one.

Mr. Riis: The finance committee has gone on at some length to name some of the silly corporate loopholes. I would ask my friend to name one that works, one that is good. I remember my hon. friends from Alberta who ranted on about all the grants and the freebies in the tax system for the oil companies to explore, while the taxpayers were paying 100 per cent. They moved off on

some of those, sensibly. There are many more corporate tax exemptions that ought not to be in existence.

Let me offer my friend one other suggestion. Why is it that our interest rates have to be so high? Why is it that our deficit and debt are jacked up every year because of our increased interest rates? It is Conservative interest rate policy, but it perplexes me that our rates have to be three or four percentage points higher than those in the United States. If we were to drop our interest rates just 2 per cent, we would cut from the deficit over $3 billion just like that.

I could go on to make some suggestions, but a minimum corporate tax is one suggestion, eliminating some of the corporate tax incentive programs is another, lowering interest rates is another suggestion, a more progressive income tax system in the personal side is another. Just as a starter, this indicates that there are many alternatives to increasing revenue through the tax system as opposed to simply imposing a punitive 9 per cent sales tax.

Mr. Loiselle: Mr. Speaker, I would like to make a couple of remarks. The Hon. Member for Kamloops referred to the mismanagement of the economy. I would like to recall that very recently, the World Economic Forum and the International Institute for Management Development indicated a significant improvement in Canada's international competitive position, with our ranking among the 23 major industrialized economies climbing to fourth position this year from sixth in 1987. For mismanagement, this is good management, I would say.

The hon. member referred briefly to the free trade agreement. Whenever we do something that more less looks like what the Americans have done, we are accused of imitating them. We are doing something that the Americans have not done. We are using a different system of taxation. This is something important. It is a modern way of doing it and we are doing it in way which is more generous.

The Hon. Member talked about his father. We were concerned about his father before he made his speech. We want to protect all the fathers of Canada by devising the most progressive credit system and package. This is to protect the people who need to be protected, to remove the regressive aspect which exists in the sales tax.

We have made this effort and I think you have to take into account the whole package and not only say we will be taxing everything. We will make sure that people are well protected because if we project the numbers you have given, with so many Canadians paying so much more, we would not have any deficit left next year. I would not mind that, but I do not think this is the way the world would unfold.

Mr. Deputy Speaker: The period for questions and comments is over. On a point of order, the Hon. Member for Ottawa—Vanier.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, there have been consultations with representatives of all parties, and in an effort on a supply day like today to get as many speakers as possible on debate, I would like to move a motion that reads as follows:

> That, notwithstanding any standing order of this House, that after the third speaker during supply proceedings on September 28 and October 2, all speakers be limited to a 10-minute speech followed by a 5-minute question and comment period.

Mr. Deputy Speaker: Could the Chair ask a question of the Hon. Member for Ottawa—Vanier? Would that mean that the Chair would rotate speakers? There would not be two in a row for each party like it was yesterday?

Mr. Gauthier: Indeed, Mr. Speaker. Instead of allocating one period of 20-minute speeches with 10 minutes of questions and comments, you would do the usual rotation after every speech of 10 minutes followed by five minutes of questions and comments.

Mr. Riis: Mr. Speaker, I want to concur that indeed, there have been discussions, and because we are dealing with a finite period of time, this will enable more members to comment on the motion before the House, and we certainly support that idea. I think it is a good opportunity to explore various ways of including more members in these important debates.

Mr. Cooper: Mr. Speaker, we have no problem with the motion as proposed by the Official Opposition. The only concern I would have is that the rotation would follow the normal party rotation.

Mr. Deputy Speaker: It would follow the normal party rotation on allotted days which is not the same, if there is such a thing as a rotation in this House, as it is on normal second reading.

The House has heard the terms of the motion proposed by the Hon. Member for Ottawa—Vanier. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, it gives me great pleasure today to rise on behalf of the constituents of Kenora—Rainy River and Canadians generally to explain what this particular government has done to our economy since its election in 1984 and its re-election in 1988.

This government has a record of mismanaging the economy in just a very few short years that is unprecedented in the history of this great nation of ours. This government's record, for lack of a better word, is tainted. Canadians have lost all confidence in the government's capability to manage the affairs of this country.

When the Conservatives took power in 1984—and we go back to this over and over again—Canada's national debt stood at $170 billion. Today our national debt stands at $340 billion. For members opposite who might have a hard time understanding this, that means that the national debt has doubled since 1984.

At a time when everyone has been asked to tighten their belts, the government has increased its expenditures. Where is the leadership in this? How can Canadians be expected to carry the burden of deficit reduction when their own government spends and spends and spends?

• (1250)

The Minister of Finance claims that his goods and services tax proposal is the be all and end all of tax reform. There are so many problems with this particular GST that it seems to me that the government's only alternative, and we say this very honestly, would be to scrap it and go back to the drawing board. The goods and services tax is nothing but a tax grab.

Canadians are fed up with tax increases. They are fed up with the burden imposed on them time and time again. Since this government took power, Canadians have seen tax increases no fewer than 30 times. I can only say what Canadians have been saying in the press lately, "Don't you think enough is enough?"

Not only will the goods and services tax increase taxes. It is inflationary, and I believe higher interest rates will be the end result. The hidden nature of the goods and services tax means that Canadians will not know how much tax they are paying.

This government has promised that the GST would be visible. Well, as we have seen on numerous occasions, it is just another one of those broken promises. Canadians no longer trust anything this government says. As for integrity, the record speaks for itself.

To keep the GST hidden from Canadians is despicable. The government is telling Canadians, "Trust us." There is no trust in this government and there is no integrity in this government.

In the budget tabled earlier this year, the government chose to tax back seniors' pensions and family allowances. The Finance Minister said that everyone had to chip in and help reduce the deficit. Reducing the deficit on the backs of seniors and those less fortunate is ridiculous.

The Finance Minister said that he was not tampering with the universality of social programs. However, the Finance Committee chairman admitted in an interview with *The Ottawa Citizen* on Saturday, September 23, that the government's real agenda is to do away with universal social programs.

It is unbelievable that on one side they can say that it is not and on the other side they say that it is. It is really difficult to understand who is telling the truth in this regard. Coupled with the goods and services tax, the claw-back provision of old age security pensions and family allowances, means that seniors will have lost what little buying power they have left. Every purchase made will now be made more difficult. Their budgets, which are already stretched to the limit, will be considerably affected by the goods and services tax.

At a time in their lives when they should be enjoying their retirement years, seniors will now be faced with difficult financial decisions and increased burdens. Where is the fairness this government claims to profess? There is no fairness. This government could not care less about being fair.

The goods and services tax will severely restrict small businesses in northwestern Ontario that depend heavily on tourism. Increased administrative costs, increased taxes and the higher prices for services will kill this very volatile industry in my region. My riding sits on the Canada–U.S. border. Communities such as Rainy River, Emo, Stratton and Fort Frances depend on tourist dollars from the United States. Businesses located in these communities are already struggling to survive as people cross over to the U.S. to buy gas and grocery items. The goods and services tax will serve only to encourage my constituents to cross over to the U.S. in greater numbers.

The goods and services tax will not contribute to the economy of these municipalities and may very well throw them into an economic turmoil from which they may never recover. Jobs will be lost and, with reforms to the Unemployment Insurance Act, many will not be able to collect benefits and will therefore be forced down to the old welfare office.

Opposition to this goods and services tax is widespread. I believe this government has no option, except to scrap it entirely. Communities in my riding will not survive. In northwestern Ontario, we already pay astronomical prices for gas and transportation services by road and by air.

Fragile industries such as forestry and mining located in single–industry towns will crumble as a result of the goods and services tax on transportation services. Towns such as Ignace, already struggling to survive as a result of mine closures, will become nothing but ghost towns. There will be no jobs, no consumer purchases and therefore, no economic activity.

My constituents are vehemently opposed to the goods and services tax. Petitions are rolling in every day. Now that we know what the government's intentions are with respect to VIA Rail, my constituents realize that the only other mode of transportation left is by air. Many of my constituents are retired citizens. On their pensions, they cannot afford to travel by air. Even if they could, they would not spend that kind of money knowing their pensions are being taxed and that the goods and services tax will mean additional expenses.

The destruction of VIA Rail in northwestern Ontario will mean that many of my constituents will be housebound. Young couples who dream of owning a brand new home, single–parent families trying to make ends meet, seniors trying to enjoy their golden years are seeing their dreams and aspirations destroyed by this government's so–called management of the Canadian economy. They have seen the destruction of universal programs, they have seen the destruction of Canada's passenger rail service and they are seeing the destruction of their future.

Canadians are skeptical of this government, and so they should be. Canadians no longer believe in this government and they know it cannot be trusted any longer. The government may think business is on its side. If the government would only take the time to listen to what business is saying about the goods and services tax, it would soon realize that the support is simply not there. Small business will be faced with an administrative nightmare, and will have to hire additional staff just to sort out the mounds of paper required to administer the GST. Grocery stores will be the hardest hit because they will be trying to figure out where the GST applies and where it does not. Then again, the finance committee chairman has said that the government is reconsidering the tax–free provision for basic groceries.

The goods and services tax has to go. The Canadian economy will not benefit from this tax and Canadians will suffer as a result. Opposition is growing day after day. The government has underestimated the Canadian people. Canadians understand what the goods and services' tax will mean to them and to the economy. Canadians realize that their purchasing power will be significantly reduced. They know that tough times are ahead if the GST goes through. As we always say on this side of the House, Tory times are tough times. Canadians are fed up with carrying the burden of taxation. They want to help reduce the deficit, but they do not want to do it alone. Canadians want to see responsible government.

The constituents of Kenora—Rainy River have spoken out. They have voiced their strong opposition to the reforms to the Unemployment Insurance Act, to the destruction of VIA Rail, to the claw–back provisions of old age security and family allowances and to the goods and services tax. My constituents have told me that the government must scrap the goods and services tax proposal and go back to the drawing board. I think it would be appropriate at this time, considering the fact that there are so many people who consider this a very important issue, that we on this side of the House would

like to propose a motion under Standing Order 26(1). I move:

That, the House continue to sit through the lunch hour for the purpose of continuing consideration of the business of supply.

I do that, Mr. Speaker, with the hope that the other side will agree to this because I think it is a very important issue and all Canadians would like to hear from their Members of Parliament on this particular issue. I think it would be to our benefit to tighten the belts a little further and stay away from the parliamentary restaurant to speak on behalf of Canadians.

Mr. Cooper: Mr. Speaker, we are planning to object to this motion because we have had incidents in the last couple of days when we tried to offer some sort of co-operation to both sides and we have not been able able to get that co-operation. We do object to the motion and plan to oppose it.

Mr. Gauthier: Mr. Speaker, just on that last comment, the opposition always tries to co-operate. I agree that the government sometimes does not like the debate, but debate is what runs this place and we would like to debate the question further.

Mr. Deputy Speaker: The motion is that the House continue to sit through the lunch hour for the purpose of continuing consideration of the business of supply. The Chair does find the motion to be in order.

All those opposed to the motion will please rise.

And more than 15 members having risen:

Mr. Deputy Speaker: I declare the motion lost.

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

At 1 p.m. the House took recess.

* * *

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, the free trade deal has reached the town of Aurora in my federal riding of York North. Sterling Drug Limited recently announced that the drug manufacturing division of the plant will be phased out and 180 workers will lose their jobs as a result of the plant shut-down.

Right after the November 21 election the company closed a sterile product manufacturing division in the plant. Today 40 per cent of the plant will be transferred to the United States of America, 30 per cent to Puerto Rico and only 20 per cent will remain in Canada, simply because this 20 per cent of the products cannot be manufactured anywhere else.

The free trade deal has failed the residents of Aurora. The free trade deal has failed the constituents of the federal riding of York North. The free trade deal has failed Canadians.

* * *

THE PRESS

Mr. John Brewin (Victoria): Mr. Speaker, Southam News today has reported that Peter Worthington, a journalist and sometime Conservative candidate, acted in 1968 as an informer for the Internal Security Division of the U.S. Department of Justice and for the FBI. This is confirmation not only of Mr. Worthington's lack of simple patriotism to Canada, but of the fact that the U.S. government was spying on Canadians who held different views from that of the U.S. government.

Two days ago Simon Reisman, head of Canada's negotiating team for the free trade deal, said he believed that the U.S. government was spying on the Canadian negotiating team.

Will the government first advise this House whether the government of Canada believes, on the basis of CSIS reports, that the U.S. government is continuing to spy on Canada? Will the government tell the American govern-

ment of our outrage at this behaviour? Third, will the Solicitor General make it clear to this House that the government has no intention of emulating this odious practice and sending Canadian spies out into the world to snoop on the friends of Canada?

* * *

ABORTION

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, this week on Parliament Hill there are men and women from across Canada representing many walks of life to remind us that Canada is in need of a new abortion law. They are here to represent the unborn and have a deep love for their country and the province that they represent.

Among this vigilant group is a very special lady by the name of Helen Walsh from Nova Scotia. Mrs. Walsh has recently completed, in August of this year, a walk across this country which started in St. John's, Newfoundland, on Mother's Day, May 8, 1988. This journey totalled 7,700 kilometres.

Mrs. Walsh believes that human life is a gift given by God and that it is unique and special. She holds a concern for the mental, physical and spiritual well-being of both mother and child and believes that faith in our future can only be guaranteed by our witness to a respect for life, from the preborn to the aged.

Mr. Speaker, I commend Mrs. Walsh for her achievement.

* * *

DROUGHT PROGRAM

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, the drought program has become a nightmare for producers. Townships and crops which are included change from month to month. Some farmers are even being told to return the interim payments that they received.

This government failed to listen to or understand the arguments put forward by producers and opposition members that the program was flawed, poorly designed and unfair.

I call upon this government to expand the parameters of the appeal process to allow appeals on an individual basis, reconsider its decision to recover any overpayments made in the initial drought payments, and expand the program to include losses incurred in forage production in 1988.

The government has ruled that farmers producing red clover seed for commercial purposes will be excluded. Producers in my riding are compiling supportive data from independent sources to verify their claims.

I call upon this government to implement the changes I have outlined and give its assurance that red clover producers will be granted an appeal and given a very fair hearing.

* * *

1992 ELECTION

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, in the April 3 Speech from the Throne the government announced plans to organize a major celebration in 1992.

When interviewed, a government official said they had no idea how a number of events in 1992 might be linked.

At a time when pensions are being clawed back, when VIA Rail is being slashed, and when taxpayers are being robbed, this government plans to spend a quarter of a million dollars on a conference in two weeks' time just to help organize the 1992 pre-election party.

The government should advise the House how many staff were involved in the 1992 project, what the theme will be, and how they can justify such an extravagance when ordinary Canadians are being asked to pay more and more every day.

* * *

THE ENVIRONMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, Canadians are told by the Prime Minister that his government is committed to environmentally sustainable development. His actions, unfortunately, contradict such declarations.

A close look at the budget of the environment department reveals that it is very low on the government totem pole. It receives less than 1 per cent of the federal budget and has lost over $50 million to inflation over the past five years. In spite of the fact that the Prime Minister talks of the urgent need for action on global warming, his energy minister continues to support tar sand megaprojects which will increase Canada's carbon dioxide pollution, add to global warming trends, and tie up billions of federal taxpayers' dollars. So far this

government's record on sustainable development consists of high ringing words which are actually hollow because they are not backed by actions.

* * *

ROUGE RIVER VALLEY

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, right now Premier David Peterson and his cabinet are considering a proposal which would ruin the last remaining wilderness area in metro Toronto, the Rouge River Valley. Thanks to a group of environmental organizations an Ontario cabinet document was recently made public which calls for the development of the Rouge River Valley.

The people of Scarborough are left asking one simple question. If the four municipalities that border the valley can unanimously support efforts to preserve the Rouge, if the Metro Toronto Conservation Authority can call for saving the Rouge, if the Royal Commission on the Future of Toronto Waterfront can call for saving the Rouge, if close to 50 organizations at the local, provincial and national level can call on saving the Rouge, if the federal government can pledge $10 million toward saving the Rouge, why can David Peterson and his government not take action to save the Rouge?

* * *

MEECH LAKE ACCORD

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, Newfoundlanders, and I suspect Canadians right across this country, over the last several weeks have been very disappointed to see representatives of the federal government attempting to resolve a matter as critical and pressing as the constitutional evolution of this country by using threats.

We have reports that an official of the federal government in an off the record briefing to the national press suggested that if the province of Newfoundland were to exercise its right as a province to express itself in a matter as important as the Constitution then that province may find itself subject to punishment by the national government.

Nobody has yet apologized to the province of Newfoundland for that kind of threat. The official in question still remains an employee of the federal government and still remains a spokesperson on behalf of the federal government.

To add insult to injury, the Prime Minister himself said yesterday "Wells is ungrateful of Confederation" because of his position on Meech Lake. Newfoundland is not a beggar at the table of Confederation. Newfoundland is a full partner in Confederation and Newfoundland stands solid behind the concept of Canada.

The constitutional question is a difficult one, but let us live together with respect and with dignity, and let us put away the hammers in a resolve to build this nation.

* * *

SKYLINK CRASH

Mr. Jim Fulton (Skeena): Mr. Speaker, I wish to apprise the House of extremely serious allegations made to me since the Skylink crash in Terrace. I believe there is no option but to pull the operating certificate, initiate a full audit and advise the public that the Dryden inquiry will move as soon as possible to investigate the Terrace crash which killed all seven aboard.

The pilot killed in the crash was time expired. This voids the insurance of the aircraft and the flight. The chief pilot, the brother of the deceased, has now resigned along with the majority of the 402 pilots due to safety concerns. The owner Mr. Raphael Zur, I am advised, has been signing the log books in the place of unqualified pilots. Pilots are flying certain aircraft without proper qualifications. Aircraft are not being properly maintained. Of the three recent gear collapses none of the aircraft have had their engines removed as required.

• (1410)

A 402 recently had to glide into Vancouver International Airport to land due to the failure of the fuel selectors which were installed backward. Pilots have been ordered to fly aircraft after reporting problems to head office. MOT inspectors located a rusted through engine mount on a Metro 2 and yet all three are still in the air without the required engine removal.

A pilot contacted me today and advised me that Mr. Raphael Zur has on several occasions stolen his aircraft for use. The flying public is at risk. On maintenance, on safety, on aviation violations, on Criminal Code matters, falsified logs and lack of insurance the list is long. The Dryden inquiry must take on the Skylink crash.

* * *

INDIAN AFFAIRS

Mr. Ken Hughes (Macleod): Mr. Speaker, in Canada today for largely historical reasons there exists a special relationship between aboriginal peoples and the Government of Canada. Within that context it is not surprising that disagreements might arise. Disputes surface in any aspect of human activity. The challenge of leadership is not just to represent your own interests; it is also to know when and how to put disputes to rest.

Earlier this week near Calgary a lengthy dispute between the Sarcee people and the Department of National Defence was resolved. On behalf of all members of the House, who I am sure would wish to join me in this sentiment, I commend the leadership shown by Chief Roy Whitney, the Hon. Bill McKnight, their representatives, and mediator Harold Millican. Their efforts have closed a difficult chapter in relations between CFB Calgary and the Sarcee people. A chapter of renewed trust, hope and commitment has opened.

* * *

ARMENIA

Mr. Jim Peterson (Willowdale): Mr. Speaker, for the last several months the world has watched as the people of Karabagh and Armenia have struggled to rebuild after the devastation of last December's earthquake. However, over the last several months this rebuilding has been totally frustrated. Azerbaijan has blocked access for all materials and supplies into the earthquake region.

I with others urge the Canadian government to bring this desperate situation to the attention of both the Soviet authorities and to the General Assembly of the United Nations. We ask the Soviets to lift the blockade of Armenia and Karabagh, to ensure the security of the Armenian people in that region, and to hold a referendum in the mountainous Karabagh to determine the majority will in that autonomous region.

Surely the people of Karabagh and Armenia have suffered enough.

* * *

CHRISTMAS TREE PRODUCERS ASSOCIATION

Mr. Peter L. McCreath (South Shore): Mr. Speaker, the Christmas Tree Producers Association of Lunenburg County will hold their twenty-third annual conference this year at Bridgewater. Collectively, through professionalism, research and hard work, they produce the finest Christmas trees in the world. Every year they export a million and a quarter of these trees bringing millions of dollars to Canadians.

Real Christmas trees are a renewable resource, they are environmentally friendly and they are beautiful. Mr. Speaker, there are only 72 shopping days left before Christmas. This year I urge all Canadians who celebrate Christmas to use real Christmas trees, and none are finer and none are more beautiful than the Christmas trees from Queens and Lunenburg Counties in Nova Scotia.

* * *

[*Translation*]

CAMBODIA

Mrs. Marie Gibeau (Bourassa): Mr. Speaker, not long ago, the Vietnamese government announced it would be withdrawing the rest of its troops from Cambodia between September 21 and 26. It also invited foreign observers, including Canadian officials, to watch the operation. Although the withdrawal of the military is heart-warming, we think the Vietnamese authorities can do a lot more to urge Cambodia to agree come to a compromise during this peace process.

Canada's position on observation or peace-keeping missions in Cambodia is well-known. For us to consider taking part in such a mission, all parties involved would have first to arrive at a complete and satisfactory settlement of the problems in Cambodia; our participation must not overly burden Canadian resources and our mandate must be clear and limited in time.

However, Mr. Speaker, since these requirements have not been met, Canada has not seen fit to send an observer.

We are glad to see that Vietnam has taken steps to withdraw all of its troops from Cambodia and we do hope that this decision will bring us closer to a well-deserved and sustainable peace in Cambodia.

* * *

[*English*]

NATIONAL TRANSPORTATION POLICY

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, successive governments have stumbled and bumbled their way through office by neglecting a need for a national transportation policy. The challenge is clearly out there for the minister and the government. The Canadian people can accept restraint but they cannot and will not accept a minister and a government which slash services yet offer nothing in the way of a strategy for the future.

Today we do not have a national policy that will propel Canada into the 21st century. Instead we have a disjointed scheme from which we will stumble out of the 20th century. The challenge is clearly up to the minister and this government. If they can meet that challenge and exceed it, they will truly have earned the support of the Canadian people.

* * *

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Stan Wilbee (Delta): Mr. Speaker, the free trade agreement has had a tremendously positive effect on the economy of British Columbia, and my riding of Delta is no exception. Regency Industries is the largest manufacturer of free-standing wood stoves in western Canada and is exporting over 80 per cent of its products, primarily to the U.S. market. Regency has annual sales over $10 million and is predicting a sales increase of 50 per cent over 1988, thanks to the focus on U.S. market potential generated by free trade.

This innovative company is also planning for the future, spending 3 per cent to 4 per cent of revenues on research and development. Exports have already started to Korea and Japan as Regency buys Japanese steel and then ships the finished product back to Japan.

All of Regency's products are approved by the U.S. Environmental Protection Agency, making these stoves an environmentally friendly product with tremendous growth potential.

This government knew that given the freedom to do so Canadian firms could compete successfully in the world economy. In the export dependent economy of British Columbia no one is proving this adage better than Regency Industries, and I am proud to have that company in my constituency.

ORAL QUESTION PERIOD

[*English*]

VIA RAIL

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister. Six and a half million passengers travel more than two billion kilometres a year on VIA Rail, and yet this government is destroying VIA Rail.

I have learned that the government has plans to issue nearly 3,000 pink slips, that is 3,000 lay-off notices, to employees of VIA Rail in the two weeks following Thanksgiving.

At the priorities and planning committee of cabinet on Tuesday the Prime Minister approved a plan to lay off more than 70 per cent of the VIA employees in New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland. VIA operations, particularly in New Brunswick and Nova Scotia, will be devastated.

The Prime Minister told the people of New Brunswick and Nova Scotia that they had to use it or lose it. They are using it. Why are they losing it?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I think I should repeat what I said yesterday. The Leader of the Opposition always uses documents that are not official. The Leader of the Opposition has decided on the process of the government. Unfortunately, I must repeat to the Leader of the Opposition that we are in the process of making the decision and in due course we will make the announcement.

Mr. Turner (Vancouver Quadra): Mr. Speaker, did you notice that the Minister did not deny what I suggested to the House? We noticed that very clearly.

I want to just point out one illustration of how irresponsible, calculated, brutal and vicious this government's actions are. Last year in advance of the election the Prime Minister authorized Stewart McInnes, who was then the Minister of Public Works, to open a brand new VIA maintenance centre at Halifax at a cost of more than $7 million. Two days ago the Prime Minister

approved a plan to close that brand new maintenance facility in Halifax which cost the taxpayers more than $7 million and employed 150 people. How is that, Mr. Speaker, for pure unadulterated, rank cynicism?

I ask the Prime Minister how much longer he is going to squander the public trust on this particular issue.

• (1420)

[*Translation*]

Mr. Bouchard (Roberval): Mr. Speaker, of course the Leader of the Opposition can try to mislead Canadians in any way he wishes and say anything he wants.

He can claim that decisions have been made. He can comment on documents that don't exist, without a shred of evidence.

However, I would ask the Leader of the Opposition to be professional about this and to be accurate when referring to official documents about decisions that have been made.

Until those decisions are announced, I would ask him to have the decency to argue on the basis of information that is true, not false.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I agree the decisions have not been announced but they have been made.

I see his colleague, the other "Bouchard", the Minister of the Environment, who didn't have the courage to demand that his colleague order a study—

[*English*]

Mr. Speaker: I know the right hon. gentleman would not want to proceed in an unparliamentary manner, and I would ask him to continue his question keeping that in mind.

[*Translation*]

Mr. Turner (Vancouver Quadra): Mr. Speaker, why didn't the Minister of the Environment insist that his cabinet colleague from the same part of Québec order an environmental impact study of the decisions regarding VIA Rail? Because neither the Prime Minister nor the Minister of the Environment have the decency to keep their election promises.

In any case, will the Prime Minister confirm that last Tuesday he personally approved a lay-off plan for 1,000 VIA Rail employees in Montreal?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I can say that the statement made by the Leader of the Opposition is false.

Mr. David Berger (Saint-Henri—Westmount): Mr. Speaker, my question is also directed to the Minister of Transport.

At our public hearings in Quebec on the future of VIA Rail, those who spoke at these hearings all stressed how important it was to have an improved and viable railway service, the operative words being "improved" and "viable".

Will the Minister agree to meet the members of the consultation group set up by the Government of Quebec to examine future prospects instead of laying off thousands of Quebeckers, in Montreal and across the province? Why this negative attitude to VIA Rail?

Mr. Bouchard (Roberval): Mr. Speaker, I would like to welcome the new federal Member from Québec, and I may say I am pleased the Hon. Member held these hearings. I wonder whether, in the process, he also asked Canadians whether they were prepared pay up to $650 million for a service that is being used by only 3 per cent of Canadians, in Québec and in the rest of Canada. I think Canadians want sound management of public funds, and that is what we intend to give them, Mr. Speaker.

[*English*]

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, in Atlantic Canada alone VIA cuts will kill 500 jobs. A new $7.2 million maintenance facility in Halifax will see its doors closed permanently and thousands of Atlantic Canadians will see the severing of this vital transportation link. Our region has suffered enough under this government's knife.

Will the Prime Minister finally show some compassion and common sense and stop this latest brutal, bloody assault on the people of Atlantic Canada?

Mr. Bouchard (Roberval): Mr. Speaker, I will ask this member, as I did all other members, to wait for the official announcement.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have a question for the Right Hon. Prime Minister.

His Minister of Transport in an answer to the Leader of the Opposition said: "He should not base his decision on false affirmations."

The Minister of Transport has been using, much like the rest of the government, erroneous figures to justify the actions that the government is taking. He consistently cites 3 per cent as the number of Canadians who are using rail passenger services. Some 30 per cent to 50 per cent of the users of public carriage, either rail or airplane, is the real figure.

Given that kind of information and given the information that ridership is up, that more people are using VIA Rail, that revenue is up, and that the users are paying for more of the operation, would the Prime Minister not recognize the mistake that his government has made and indicate to this House clearly, and to the people of Canada, that the government will change its mind and will keep VIA rolling?

[*Translation*]

Mr. Bouchard (Roberval): Mr. Speaker, obviously, those produced by my colleague from the New Democratic Party do not necessarily correspond to the figures that we produced in the Government. I would just point out to him that as far as figures are concerned, Canadian voters twice preferred the Conservatives' figures to the New Democrats'.

[*English*]

Mr. Angus: Mr. Speaker, my question again is for the Prime Minister. He will know that hundreds of thousands of Canadians have been writing to him and to the Minister of Transport and, in spite of the attempts of the government House leader to circumvent the rule of this House allowing members to send material to the Prime Minister, he has today received hundreds of cards and will receive thousands more during the course of the day from people in support of VIA Rail.

Given that rail passenger service is the safest method of travel and the most environmentally sound method of travel in this country, would he not agree to send the Minister of Transport back to the drawing board to come up with a plan that will allow VIA Rail to continue and to be improved?

Mr. Bouchard (Roberval): Mr. Speaker, I just want to repeat what I said before. The VIA Rail plan which will be proposed will be proposed with regard to the capacity we have to interface this transportation mode with the way people use VIA Rail. People use VIA Rail by 3 per cent, of all intercity travellers use VIA Rail by 3 per cent.

I believe that we will continue to put more than $2 billion over five years in VIA Rail and I believe that is exactly what Canadians can afford at the present time.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, poll after poll has indicated that Canadians are willing to support government expenditures that are environmentally sound. I ask the Prime Minister and the Minister of Transport whether they do not realize that this decision about VIA is a major economic decision.

They attend international conferences concerned with hydrocarbons, the greenhouse effect, low level ozone, you name it; and yet here they have a major economic decision which they have not subjected to an environmental assessment. If they did they would find that the environmentally sound thing to do would be to modernize and expand passenger rail service in this country.

Why in the hell can we not have an environmental assessment? Why can the Prime Minister not put his money where his mouth is when it comes to the environment, or shut up about it forever?

Mr. Bouchard (Roberval): Mr. Speaker, I know that this member is worried about the environment, but we can be worried about the environment calmly. I believe that the member should know that the announcement on VIA Rail has not been made yet. When the announcement on VIA Rail is made different parts of the announcement will deal with different concerns. I believe that he should wait for the announcement before giving that kind of performance.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my question is for the Prime Minister. According to a column written by the Prime Minister's good friend and until very recently senior adviser, Dalton Camp, on September 17, the decision to gut VIA Rail was made in Langevin Block by the estimates review committee chaired by the Prime Minister. I quote: "Benoit Bouchard may still be Minister of Transport but

he had no voice in the basic and critical consideration of national transportation policy."

• (1430)

Given that the Minister of Transport cannot possibly have in these circumstances any credibility on this matter, why is the Prime Minister, who chaired the committee that made this decision, refusing to stand in the House and defend these cuts for which the Prime Minister bears primary responsibility?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have not read the column to which my hon. friend referred—

Mr. Lapierre: I'll send you a copy.

Mr. Mulroney: The member will send me a copy, I would thank him for that. I have not read the article to which he refers, but I can tell my hon. friend something that is certainly clear to all members of the government and to most Canadians. The present Minister of Transport is widely regarded as a strong and very effective performer here and across the country.

Some Hon. Members: Hear, hear!

Mr. Mulroney: In fact, Mr. Speaker, while I haven't read that column, I have read this, and it deals with—

Mr. Lapierre: Who wrote it?

Mr. Mulroney: Well, I'll tell you. It is in the Sherbrooke *Record* of July 18, 1988—

Some Hon. Members: 1988!

Mr. Mulroney: July '88—

Some Hon. Members: Oh, oh!

Mr. Mulroney: Oh, they want me to keep reading! Let me keep reading then, Mr. Speaker. It is a statement by the Liberal candidate in Sherbrooke, Mr. Wood, who says this in respect to the Conservative candidate, "He brought back the train. Big deal", he says. "Take it away. Nobody is ever on the train. It's always empty," said the Liberal candidate in Sherbrooke.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Speaker: The hon. member has the floor.

Mr. Tobin: Mr. Speaker, the Prime Minister's endorsement of his Minister of Transport sounds very much like a general's endorsement of the troops before he sends them into the slaughter.

I want to ask the Prime Minister whether or not he agrees with Mr. Camp, his former senior policy adviser, when he says of the decision to gut VIA Rail, "It is a decision that discriminates against the less affluent, the old, the young, the unemployed, the small towns".

Does the Prime Minister agree with his former senior adviser's assessment of this brutal decision? Perhaps this describes the mysterious departure of Mr. Camp from the Langevin Building. Even he has an ounce of salt blood left in his veins and couldn't see his region sold out by this Prime Minister.

Mr. Bouchard (Roberval): Mr. Speaker, I would like to be very clear about—

Mr. Tobin: You weren't even there!

Some Hon. Members: Hear, hear!

Mr. Bouchard (Roberval): Mr. Speaker, I was not there but I am here.

Some Hon. Members: Hear, hear!

Mr. Speaker: I should remind both the hon. member and the minister that I am here.

Some Hon. Members: Hear, hear!

Mr. Benoît Bouchard (Roberval): Mr. Speaker, I want to be clear. Seriously, the newspaper *Le Devoir* decision about the cuts to VIA Rail. I believe when a decision is good, is honourable for Canada, and for the Minister of Finance, it is good also for the Minister of Transport.

* * *

[*Translation*]

FINANCE

Mr. Douglas Young (Gloucester): Mr. Speaker, the Minister of Finance told us last night that the goods and services tax would remain steady until 1994, barring unforeseen circumstances.

Mr. Speaker, we have just discussed VIA Rail and certainly that is an example of unforeseen circumstances because last fall, certainly no one expected the disaster that would hit the whole rail system in Canada, especial-

ly VIA Rail. My question to the Minister, Mr. Speaker, is this:

Can he explain to Canadians exactly what he means when he talks about unforeseen circumstances in the context of his goods and services tax in Canada?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I responded to a question yesterday which asked me about the to the GST. I said that we had put in place, in the last budget, a fiscal track, a fiscal framework that provides for a continuation of program spending at somewhat less than the rate of inflation, a continuation of the revenue picture as it is in place now, including the proposed GST. I said that if we continue in this direction, barring unforeseen circumstances, we will reach the deficit position that is outlined in the budget which involves also a zero cash requirement.

Mr. Young (Gloucester): We spoke earlier this week about "wage and price moderation", now it is "unforeseen circumstances". I think Canadians have a right to be more informed on that. I would ask the Minister of Finance this. With high interest rates, high unemployment, high inflation, would recession be an unforeseen circumstance? Would the Minister of Finance try to be very clear on what he means?

First of all, he is talking about 1994 and a tax that has not been imposed yet. Can he clear up the confusion for Canadians as to what he means by unforeseen circumstances?

Hon. Wilson (Etobicoke Centre): Mr. Speaker, we have seen over the course of the last few years a number of matters that have happened that had not been anticipated. I think the hon. member would regard as being an unforeseen circumstance the drought in agriculture.

If there is a recession internationally, then that is something that is unforeseen at this time. We have set out what our economic assumptions are in which we base this track. If there is a major deviation from that, then clearly that is an unforeseen circumstance.

As indicated last year at the time of the election, we still do not know what the outlook is for interest rates at any one time. We make assumptions on that, but if there is a major deviation in interest rates either domestically or internationally from the track, then that is something unforeseen. There are a number of these things that come into play.

Mr. Lorne Nystrom (Yorkton—Melville): My question is also for the Minister of Finance, Mr. Speaker. We know that officials in the minister's department are now looking at various options, various scenarios to reduce the rate of the tax and include food as a taxable item in the GST.

We also know that his buddies on Bay Street are making the same recommendations to the minister and to his officials. This is causing a lot of worry and concern among ordinary Canadians, in particular the senior citizens who built this country, and the poor.

I would like to give the minister one more chance to say in a very categorical way, in an ironclad way, that there will be no tax on basic groceries. Will he say no to his officials, no to his Bay Street buddies, and tell the people of this country that there be no tax on food?

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): Mr. Speaker, let us be quite clear about the reference that the hon. member was referring to. This is not a finance proposal. This is the Department of Finance officials responding to a request for information from members of the research staff of the Finance Committee. They have to respond to these requests, as they would respond to the hon. member if he asked for information. That is the sole basis on which that information is provided.

• (1440)

Mr. Nystrom: Mr. Speaker, we have now heard a classic example of the minister evading the question.

What I want from this minister is an ironclad assurance groceries in this country. I ask that in view of the fact that one of his buddies, Laurent Thibeault, came to our committee this morning from the Canadian Manufacturers' Association to complain that there would be a 9 per cent sales tax on power lunches of caviare and champagne—and he wants an exemption. Can the minister assure us that he will not listen to Mr. Thibeault and, instead, assure the ordinary people of this country that there be no tax on basic food?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I made this statement the other day and I will make it again. I am not going to be commenting on individual recom-

mendations that are made by this person or that person before the finance committee. There have been—

Mr. Nystrom: —no guarantees.

Mr. Wilson (Etobicoke Centre): If the hon. member would listen, Mr. Speaker. There have been recommendations from people who have come before the finance committee to tax food. Others have said keep the exemption in place.

The position of the government, as set out in the proposal that is before the committee now, is that basic groceries are tax-free. We will continue this position. The hon. member can ask me again and again and again, but I will not comment on specific items, specific recommendations that are put before the finance committee until the finance committee has made their recommendations final.

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, my question is for the Minister of Finance. I want to ask the minister for a clarification on the impact of the GST on our senior citizens.

There was a lot of information in the riding of Elk Island and, indeed, across this country regarding the impact of the GST on our seniors. Some of this information good, some of it is misleading, but all of it is very confusing. Let us clarify this issue once and for all.

Mr. Minister, what will be the impact of the GST on our senior citizens?

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I think as colleagues understand the change from the existing federal sales tax to the goods and services tax is a major step forward in the impact of sales taxes on our senior citizens. Sales taxes have been widely regarded as regressive, but with the change from the federal sales tax to the goods and services tax we will have for the first time a progressive sales tax system because of the implementation of a very substantially increased goods and services tax credit.

In addition to that, we have exempted a number of other things in the GST tax proposals, such as medical devices. That includes hearings aids as well as glasses, health care, prescription benefits—

Ms. Copps: What about protheses?

Mr. Wilson (Etobicoke Centre): —protheses, homemakers' services that are provided by non-profit institutions, meals-on-wheels, and a wide range of things like that. That is why the goods and services tax system as a whole is very good for our senior citizens.

* * *

HEALTH

Mr. Stan Wilbee (Delta): Mr. Speaker, recently our government announced the release of the drug AZT for the treatment of AIDS. I understand that there has been a recent development. I was wondering if our Minister of Health could tell us what the most recent developments are in the treatment of AIDS in Canada.

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, I am pleased to be able to inform the House today that DDI will be available under the Emergency Drug Release Program. It will be available to Canadians who are symptomatic of AIDS and HIV infection and who are intolerant of AZT. It will be available free of charge under a program administered by the manufacturer.

Some Hon. Members: Hear, hear!

* * *

UNEMPLOYMENT INSURANCE

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, my question is for the Minister of Justice. During the public hearings on the unemployment insurance bill which end today, serious doubt has been raised with respect to the constitutionality of this bill, in view of the fact that the bill provides that up to 15 per cent of unemployment insurance moneys can be used for training and development purposes.

The minister knows that federal jurisdiction in unemployment insurance is the result of a constitutional amendment in 1940, which very specifically refers to unemployment insurance and not to training and development.

In order to clear the air on this point, would the minister order an independent legal opinion, make a commitment to this House to make that opinion public, and ask the government to delay this bill until this constitutional issue has been resolved?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, the bill was, naturally,

reviewed by justice officials prior to introduction. We take the position that the act is constitutional and is within federal powers.

Mr. Allmand: Mr. Speaker, that is unfortunate. I guess we will have to pursue that issue ourselves.

I have a supplementary question for the Prime Minister. It concerns the area of federal–provincial relations.

Another major issue being raised in the committee by many, many witnesses is the shift of the unemployed from the unemployment insurance system to provincial welfare rolls. As a result of this bill, thousands of unemployed Canadians will be left without unemployment insurance and the responsibility will be shifted to the social assistance systems.

In Toronto, the estimated increase in the welfare budget is $10 million. In the regional municipality of Ottawa, the estimated increase in the welfare budget is $10 million. In Sudbury it is $2 million.

I want to ask the Prime Minister if he would meet with the provincial premiers in order to get an exact estimate on how this bill will increase provincial welfare budgets. Would he delay the bill until he has those estimates, discussed them and put them before the House?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, I want to repeat that the unemployment insurance system will not be cut back; what we want to do as a government is to improve it, make it more efficient and more equitable.

As far as social assistance is concerned, we already have a joint program with Quebec and as part of unemployment insurance reform, we already provided additional funds to be shared between the provincial and federal governments. Measures have already been taken to create more jobs by training the workers needed for new requirements.

* * *

[*English*]

FISHERIES

Mrs. Coline Campbell (South West Nova): Mr. Speaker, my question is for the Prime Minister. By the end of this month, tomorrow or Monday, the Haché Task Force on the Scotia–Fundy is expected to submit its report to the cabinet committee which he set up to examine the current crisis in the Atlantic ground fishery. Virtually every witness who has appeared before this committee, including the Nova Scotia Department of Fisheries, has complained that the groundfish management system, "—has focused on establishing, allocating and enforcing quotas but not on the managing of the fishery".

Will the Prime Minister ensure and order immediate direction to the cabinet committee to look at the Haché report to formulate proposals that will relieve the hardship currently being experienced by the thousands of people who are connected to the inshore fishery and the Scotia–Fundy region?

Some Hon. Members: Hear, hear!

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I can assure the hon. member that I am seriously considering the findings of the study of the special task force conducted by Jean Haché. In fact, I received a full briefing on his report only yesterday.

We have had a number of very positive recommendations from the fishermen in the area on improving science and the quality of data we receive from fishermen as an input to our management process, and the changes of gear which were necessary; but, above all, the importance of dealing with a huge over-capacity problem in southwest Nova Scotia. I will be taking recommendations to cabinet to deal with that in due course.

Mrs. Campbell (South West Nova): Mr. Speaker, the cabinet committee was set up by the Prime Minister to study the total. It was taken out of the hands of the Minister of Fisheries. I am asking that immediate attention be given to the Haché report.

My supplementary is to the Minister. I want to ask him whether the hardships that his policies have inflicted over the past two summers of no work for the people—the thousands of people in the inshore fishery—and whether the evidence of the Haché report has finally convinced him that his management plan, as the Department of Fisheries of the Province of Nova Scotia has said, has focused on the wrong areas and not focused on the managing of the fisheries on the east coast. It shows up in the northern cod, on which the cabinet committee

is meeting, and also on other policies of this particular committee.

• (1450)

Mr. Siddon: In fact, Mr. Speaker, the Haché findings suggest possible new regulations and changes in fishing methods which would involve tighter control by the Department of Fisheries and Oceans. Secondly, on my first review of the report, it appears that in the present year there are no extraordinary circumstances of hardship which are unlike those of previous years with the exception of lower prices and the problems created by exchange rates. There are no areas of unemployment which cannot be accommodated, Mr. Speaker, within the existing programs that are provided by the federal government.

* * *

UNEMPLOYMENT INSURANCE

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, since last April the government has been telling Canadians that not many people would be hurt by the unemployment insurance cuts. They said only 30,000 people would be unable to obtain benefits. Statistics Canada has contradicted the government. It says that 130,000 people will lose all of their benefits. Thirty times more people will be hit in Newfoundland alone than the government has admitted to.

My question is for the Prime Minister. Would the Prime Minister confirm that by Statistics Canada's own analysis there will be 130,000 Canadians who will lose all their benefits? Would he also confirm that his government's own stats have been a dramatic understatement?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, I am pleased to tell my colleague that since our Government took office, we have created 1,500,000 jobs, including 878,000 for women. I repeat that what we are trying to do with unemployment insurance reform is to make this system fair and equitable by taking account of regional disparities.

I come from a region that is affected by unemployment and we have implemented a measure that will respect the worker who wants to work.

[*English*]

Ms. Langan: Mr. Speaker, I think I will have to try and address my supplementary question to the minister. She is not answering the question. She knows that Statistics Canada did not make up those figures. She knows those numbers are right, but that her department has not had the guts to release how the numbers are being cooked up.

Is the minister telling us that she was really not aware of the horrible impact these measures would have? Was she aware of them and did the government still allow incorrect numbers to be released?

[*Translation*]

Mrs. Vézina Mr. Speaker, I personally was responsible for the Department that oversees Statistics Canada and I have confidence in Statistics Canada's data.

I also know that the data I just quoted you truly reflect the job creation situation. The unemployment insurance program will continue to be a safety net for the working man or woman seeking employment. And what we are trying to do as a responsible government is to ensure that most Canadians will be able to find work in the new markets of the year 2000. We are preparing the future.

* * *

[*English*]

NATIONAL TRANSPORTATION POLICY

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, my question is for the Minister of Transport. It is a given that cuts are going to be made to VIA Rail. Keeping that in mind, Mr. Speaker, what indication can the minister give this House that both he and the government will be bringing forward a national transportation policy that will lead Canada into the 21st century?

Also, Mr. Speaker, aside from debt reduction, I want to know what innovative measures does the minister envisage to propel us into the 21st century? Will we have a national transportation policy to address the real needs of this nation?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I thank my friend for the question. I think there are two very important points here. The first is that, of course, the reason why we have to intervene with VIA

Rail is because we cannot any longer waste Canadian money as we did for such a long time.

Second, I believe one thing we have to determine in the transportation policy is to have better management of the rail system. When we move in that direction and it is done, Mr. Speaker, I believe then will be the time also to determine a broader perspective in terms of transportation in Canada.

* * *

JUSTICE

Mr. John Nunziata (York South—Weston): Mr. Speaker, we now know of a major source of foreign investment in Canada, illegal drug money from the United States. A confidential report released in Washington yesterday confirms what we predicted two years ago. Canada has become a major haven for laundering hundreds of millions of dollars a year in dirty drug money.

My question is to the Prime Minister. If his government is truly serious about fighting the drug war, will his government immediately introduce legislation to require Canadian banks and institutions to report large cash and foreign currency transactions as a means of stopping the laundering of illegal drug money in Canada?

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, I would like to commend the Hon. Member for raising an issue which has to be of great concern to all the members of this House. As he knows, it is of great concern to this government, and we have already acted.

I would like to remind the hon. gentleman that effective January 1, 1989, we brought amendments to the Canada Criminal Code and the Food and Drugs Act which made money laundering in Canada a criminal offence.

At the Toronto economic summit in 1988 Canada played a prominent role in achieving agreement on a set of principles and initiatives which will result in greater co-operation. Even last week my colleague, the Minister of Finance, raised the issue at the summit.

With our American neighbours we have made arrangements for mutual legal assistance. The Office of the Superintendent of Financial Institutions has instructed all banks to institute procedures to detect money laundering. I could go on for a long time. I think we have taken very decisive action.

Some Hon. Members: Hear, hear!

Mr. Loiselle: I assure the Hon. Member the report was based on data which is not relevant any more.

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, my question is also to the Solicitor General. The last response did not show any mechanisms developed and being used by banks.

In view of the government's failure to date to impose mechanisms to track profits of the international drug cartel through our Canadian financial institutions, I want to know when the government is going to show some leadership, stop dragging its feet and offer to us a comprehensive and effective Canadian initiative in the war against drugs. Or do we have to wait for the FBI or the Drug Enforcement Administration to show us how?

Mr. Loiselle: Mr. Speaker, I would like to reassure the Hon. Member that we do not need to wait for anybody. At this very moment the banks, with the office of the Superintendent of Financial Institutions and the RCMP, are working on very precise measures to modernize our methods. We are very confident that we can tackle that.

* * *

WESTINGHOUSE CANADA

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I have a question for the Minister of Supply and Services. On May 24, Westinghouse Canada announced the closure of its Renfrew, Ontario plant. At that time we were told that with the exception of some specific equipment, the rest of the equipment would remain in the plant until the end of the year to allow it to be sold as a going concern.

However, those Westinghouse officials have gone back on their word during the summer. As a result we have lost one potential buyer because equipment was not available with the plant. We do not want to lose another one.

Is there any recourse the Minister has with regard to the procurement of goods and services from Westinghouse, given the current Westinghouse withdrawal from Renfrew and, more particularly, the manner in which they are doing so?

Hon. Paul Dick (Minister of Supply and Services): Mr. Speaker, although it is regrettable that Westinghouse has not been able to remain in the slow growth region of Renfrew, and after nine years and some $10 million of federal government money, has indicated its pull-back to its Westinghouse plant in Hamilton, I must inform the hon. member that there is no precise remedy which the Minister of Supply and Services can implement to punish them for their action. I would hope that they would certainly negotiate in good faith with upcoming potential purchasers of this facility, and that they would leave their equipment in place as they promised they would do.

• (1500)

Mr. Hopkins: Mr. Speaker, my question is for the Minister of Industry, Science and Technology. Given the several millions of dollars in federal grants, training programs and tax credits that the Minister of Supply and Services mentioned that have gone into the plant over the past nine years, and because much of this was done in the name of regional development, in a sincere way, does the minister not agree, both morally and realistically, that this government-subsidized equipment should be available to a prospective buyer who will remain in the Renfrew area so that the benefits that were meant for this slow growth region will in fact remain in that area and be of benefit to hundreds of people as intended in the first place?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, the hon. member gave me notice of his question. I am informed that the company has fulfilled its obligations to the Department of Industry, Science and Technology. I will be glad to check into it further, however, to guarantee that that is the case.

I will tell the hon. member that the 147 employees have been offered a comprehensive adjustment package which includes offers of jobs, offers of job placement. It is a very comprehensive program. In terms of the equipment, I will confirm that they have in fact fulfilled their obligations.

Mr. Speaker: The member for Mackenzie, and this will be the last question and supplemental.

DROUGHT PROGRAM

Mr. Vic Althouse (Mackenzie): Mr. Speaker, my question is for the Minister of Agriculture. Prior to the drought cheques being mailed out this summer, the minister and his officials repeatedly assured producers of commercial forage seeds, the grasses, clovers and alfalfas, that they would be receiving drought payments. When the cheques came the commercial producers were dropped from the program and only producers of pedigreed seed were left in.

Will the minister explain why commercial producers were not paid on either the same basis as the pedigreed producers, on the basis of the quota book acreage, or even using a basket-of-commodity approach which was built into the program? Why were the producers of commercial grasses, clovers and alfalfas left out of the drought program even though they were badly affected?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, my understanding is that this would have been very difficult to administer. My colleague, the Minister of State for Grains and Oilseeds, has been directly involved in this particular issue. That is my understanding, but I will consult with him and get a fuller answer for the member and report back to him as soon as I can.

I would suspect, as well, that this would be a matter that would be dealt with through the appeal process which will be undertaken in the next little while.

Mr. Althouse: Mr. Speaker, my supplementary is for the Minister of the Environment who monitors all government programs to make certain that they are environmentally friendly.

Can the minister explain why he accepted this decision by the Department of Agriculture which harms the country's long term ability to protect the environment by signalling to producers of commercial forage seeds, the alfalfas, clovers, and grasses, that these seeds and plants are not useful to stop soil erosion and to clean up the air and the water of our country? Why did he stand by and do nothing?

Mr. Mazankowski: Mr. Speaker, I take it from the hon. member's question that he is deeply interested in soil and water conservation and sustainable agriculture. Of course, that is a very key component of the policy review

process that we are going through. I would invite the hon. member's support in that particular initiative and we will welcome any comments or suggestions that he has to make in that regard.

Mr. Deputy Speaker: The Hon. Government Deputy House Leader on a point of order.

ROUTINE PROCEEDINGS

[*English*]

STANDING COMMITTEE ON FINANCE

AUTHORIZATION FOR STANDING COMMITTEE TO TRAVEL

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): With the consent of the House, Mr. Speaker, I would like to revert to motions. With the consent of all parties in the House, I would like to put to you the following motion on the business of the Standing Committee on Finance:

That the House hereby directs the following arrangements with respect to the consideration, by the Standing Committee on Finance, of the proposed goods and services tax:

1. That the committee be authorized to travel as follows:

A) A sub-committee of the said committee, composed of one member from each recognized party in the House, to travel to Whitehorse, for hearings on Sept. 30, 1989;

B) The full committee to travel for hearings in Vancouver, (October 2 and 3), in Edmonton (Oct. 4), in Regina (Oct. 5), in Winnipeg (Oct. 6), in St. John's, (Oct. 18), in Halifax (also on Oct. 18), in Charlottetown (Oct. 19), and Fredericton (also on Oct. 19).

2. That the committee make its report to the House no later than Thursday, November 28, 1989.

3. That televised broadcasting of any or all public meetings of the committee in Ottawa, subsequent to the adoption of this order and until the committee enters into its report, be on the basis of the principles and practices now governing broadcast of the proceedings of the House of Commons.

4. That the order for consideration by the House of second reading and committee referral of any bill or bills relating to the proposed goods and services tax be for "second reading and referral to the Standing Committee on Finance."

5. That the committee be authorized to travel to Mont Ste. Marie, Quebec from November 6 to November 9 inclusive for the purpose of drafting the said report.

Mr. Deputy Speaker: Does the hon. minister have leave of the House to introduce his motion?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Mr. Gray (Windsor West): Mr. Speaker, as the hon. minister has said, this motion arises out of considerable discussion among the three parties. I want to note that the motion does not refer to the possibility of the committee having hearings in Quebec City or Toronto.

I hope the minister will indicate that—according to what some of the committee members have told me—the government would be willing to come back to the House with a motion to allow the committee to hold hearings in Toronto and Quebec City if it appears to the committee that there is a volume of requests to appear before the committee which would indicate the need to have hearings in those two cities.

I want to make clear that, even though we have our doubts and reservations about whether the committee is going to enough communities, we are willing to give our consent. Again I ask the minister to indicate to the House the position of the government on the possibility that the committee will say that in view of the volume of requests, there is a need to have hearings in Toronto and Quebec City.

Mr. Riis: Mr. Speaker, on the same point, I am looking forward to the response of the hon. minister. The deliberations have been extensive on this issue. We are pleased that we have been able to get this far in terms of the special House order. Repeated discussions have occurred in the finance committee over the last number of days on the need to travel to Quebec, particularly, and parts of Ontario.

The understanding, as we have it, is that we are giving consent to proceed so that the committee can get under way and get out to the west coast on the weekend with the understanding that this does not preclude that possibility in terms of holding hearings in the province of Quebec and in the province of Ontario. I think there is a general understanding in the committee by all members that this is appropriate.

Assuming that the relevant briefs come in from the province of Quebec and the province of Ontario, the committee is open to consider travel and holding hearings there. I simply want to put a quid pro quo on our agreement here by stating that, yes, we certainly will agree to this House order to get the committee on the road with the understanding that discussions will take place so that committee hearings will take place in Quebec, assuming that there is sufficient interest in Quebec City and in Montreal.

Mr. Charest: Mr. Speaker, the House Leader for the New Democratic Party is correct, as is the House Leader for the Liberal Party, in bringing the attention of the House to the fact that there have been discussions within the committee on the appropriateness of holding hearings both in Quebec City and in Toronto.

I do not want to venture or speculate on what they may base their decision to come back to the House to put a motion. I will leave it to the committee to have its own debate and make that assessment based on whatever finding it may have.

We understand that there have been discussions and that the committee may, at one point, come back and ask to hold hearings in those two cities. We will leave it at that for now, let the committee do whatever work it has and come back to us in due course if it chooses to do so.

• (1510)

Mr. Gray (Windsor West): First of all, I take it that the question has been put and the order in question has been adopted by the House.

Mr. Deputy Speaker: I did put the question. It has been agreed to by the House.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, on a point of order I would like to ask the Deputy Government House Leader to give a statement of the business the government intends to call for the next week.

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): Mr. Speaker, of course this afternoon the allotted day motion of the opposition continues. We will resume next Monday, October 2, for the full day with a vote at 5:45 p.m.

Tomorrow, Friday, September 29, we intend to continue second reading debate on Bill C-29, the forestry department bill. I understand that there will be no private members' hour tomorrow, so I expect that the House will be able to complete the second reading of this bill tomorrow.

Tuesday morning we intend to call second reading of Bill C-36, Coop Advance Payments bill. We hope the bill can be referred that day.

Tuesday, after Question Period, we will resume debate on Bill C-18, the multiculturalism and citizenship department bill. I indicate notice now that, because of the surprising slowness of the House pace which is arising opposite me, I will on Tuesday afternoon immediately before the Order of the Day is called for resuming debate on the motion for second reading of Bill C-18 and on any amendments proposed thereto move that the debate shall not be further adjourned.

Wednesday, we expect to be able to call second reading of Bill C-28, the income tax and other acts.

[*Translation*]

Mr. Deputy Speaker: Perhaps the Hon. Member for Ottawa—Vanier (Mr. Gauthier) would allow me a few seconds?

I have received written notice from the Hon. Member for Comox-Alberni (Mr. Skelly) that he is unable to be present to move his motion during Private Members' Hour on Friday, September 29, 1989.

[*English*]

It has not been possible to arrange an exchange of positions in the order of precedence pursuant to Standing Order 94. Accordingly, I am directing the Table Officers to drop that item of business to the bottom of the order of precedence.

[*Translation*]

Since the notice will be withdrawn, Private Members' Hour will be suspended and, in accordance with Standing Order 94, the House shall revert to the business before it prior to Private Members' Hour.

The Hon. Member for Ottawa—Vanier.

Mr. Gauthier: Mr. Speaker, I would like to get back to tomorrow's Private Members' Business and say that what you just did was entirely correct. However, when the Minister was speaking, I wondered how the Minister knew, even before the House or you yourself knew, that we could proceed this way.

I don't want to be difficult, but apparently the Minister informed the House that tomorrow there will no Private Members' Hour because of reasons known to him but not to us so far, since the Chair has yet to submit the conditions of this arrangement to the House.

So perhaps from now on, when the Minister is informed of something, the Opposition could also be informed so that we can have some co-operation.

[*English*]

Mr. Riis: Mr. Speaker, I wonder if I could seek clarification. When the minister rose in reference to Bill C-18, was it his indication that he was going to be then limiting further debate on Bill C-18? Was that the intent of his statement?

[*Translation*]

Mr. Charest: Mr. Speaker, first of all, in response to the Hon. Member for Ottawa—Vanier, perhaps I may recall the exact words I used with respect to the bill presented by the Hon. Member in question. What I said, in English, was:

[*English*]

I understand there will be no private members' hour.

[*Translation*]

So I did not offer either him or you, Mr. Speaker, with respect, or the Members of this House any certainty. In fact, what I said was that we understood the Hon. Member would not present his bill.

He wonders why we had prior knowledge. I suppose because we are on this side of the House. I make no pretence of enjoying divine inspiration, Mr. Speaker —In any case, in the course of a conversation we may be informed of certain things that may or may not take place.

Perhaps this also answers the question put by the Hon. Member for the New Democratic Party.

I also mentioned the fact that the House was proceeding at a slower pace than expected since it resumed sitting on September 25. In the circumstances, we are expressing our intention to ensure that legislation can proceed normally, that it be aired and discussed at a normal pace and for this reason we are making it clear today that we intend if needed to proceed with those debates in order that legislation can get through.

Mr. Speaker, I would also like to indicate to my friend from the New Democratic Party and other Members in this House that this in no way precludes any discussions in the meantime. If my honourable friend has suggestions—as it happens from time to time, as I know for having had discussions with him, he knows what I mean—if they have suggestions in order that we can look together for ways to ensure that our business proceeds normally, at a pace that is acceptable to all, then the Government as usual will be very open to any suggestions.

Mr. Deputy Speaker: The Hon. Member for Ottawa—Vanier (Mr. Gauthier) on the same point of order.

Mr. Gauthier: Apparently the Minister does not want to understand my point. The Hon. Member for Comox-Alberni (Mr. Skelly), a New Democratic Member, probably sent a notice to the Chair or the Clerk that he will not be able to be here tomorrow. We did not know the Hon. Member had done that. But the Government did know. So the Government have entry or access to the clerk's office which we do not. If this is what the Minister is saying, it is not proper.

[*English*]

Mr. Riis: Perhaps I can help my hon. colleague from Ottawa Vanier and the table as well. The hon. minister will know that we had some communication. The hon. member from the New Democratic Party had indicated to me that he was unable to be here for Private Members' Hour. I communicated that as a courtesy to the Chair. I am sorry, perhaps that same courtesy ought to have been extended to my hon. friend from Ottawa Vanier. It is simply a matter of communication.

I do want to say to the hon. minister that on Bill C-18 we in the NDP have had two speakers to date. To suggest that this is moving incredibly slowly seems to be a peculiar way to evaluate progress. Would one speaker only on a bill suffice? Is that the point the minister is

making? I want to register a strong complaint against this initiative being suggested.

I hope that we can sit down and negotiate a suitable arrangement so that those who want to discuss multiculturalism in Canada will have an opportunity to do so. But two speakers from a political party in Canada participating in debate surely is not unduly holding up progress.

Mr. Charest: The government, as the hon. House Leader for the New Democratic Party has indicated, is very much open to discussion on how we can proceed in an orderly fashion to get the business of the house done. To that point we were ready to split time for speakers so that we could get more speakers in. That is one thing we are open to. In that manner more members can speak on the multicultural act that we are presenting before the House now.

The hon. member knows that yesterday a lot of time was taken up for petitions.

Mr. Cooper: Which we offered to add to the end.

Mr. Charest: As the parliamentary secretary points out, we had offered to add to the end of debate. These are all things the government is ready to look at in light of the good co-operation between all parties to get the business of the house done.

Finally, I would like to add one comment. At no point in time have I ever thought that the integrity of the Chair was called into question. It is quite clear that we on this side of the house believe that the Chair has maintained, always has and will maintain, a very strong position of neutrality. Never would we on this side of the House question the neutrality of either the Speaker or the office of the Speaker.

Mr. Gauthier: Things are getting carried a little too far here. As a matter of fact, he knew something that I did not know because the NDP told him. I think it is now cleared up.

I want to refer to a disease that seems to be catching over there. Yesterday we saw the parliamentary secretary shedding crocodile tears about slow progress in the adoption of legislature in the House in the last few days. We have only been here three days. The government knows that this is the sixty-fifth day of this session. It is up to the government to call the House back. If they do not want to do work and call the House back to its function as the parliamentary forum for debating bills, then it is their problem, not ours.

• (1520)

I would say to the minister that we have been more than co-operative this week. But he has not convinced me that it makes sense to have only two or three speakers on a bill as important as the multicultural bill—a bill that is going to possibly be sent to a committee that was struck yesterday by this House, created when we separated communications, culture and multiculturalism. We created a new committee of the House of Commons. This bill will give it some matters and questions to discuss. I find it very difficult for the House to accept that the government with its majority is now imposing its will on the rest of us by imposing a very short debate on a very important bill that deals with a very important subject, multiculturalism.

* * *

PRIVILEGE

HANDLING OF MAIL BREV

Mr. Iain Angus (Thunder Bay—Atikokan): I gave notice to the Speaker during Question Period of my desire to raise a point of privilege regarding a matter that occurred during Question Period.

Myself and members of my caucus erroneously used the services of Pages to deliver material to the Prime Minister's desk. It is my understanding that the normal procedure, and I am not sure if it is an order of the House, is that large mailings of that nature should go to the post office.

In this modern era we all know that mail such as that really does not come to the attention of the person it is addressed to. It ends up in a computer somewhere and perhaps a list of the number of letters received each week is provided to the intended recipient.

I would like to ask, Mr. Speaker, if you could undertake to review that particular rule so that members of Parliament, on behalf of their constituents, can have direct access in terms of large quantities. Obviously, we still have the right to send an individual letter over to a Minister or to the Prime Minister, and vice versa. My question is in terms of large mailings, not petitions which are covered under other rules, such as that which we started to send to the Prime Minister today. In fact we

completed it by carrying a large mail bag up to the third floor of this building.

I ask you, Mr. Speaker, to take a look at that to see whether or not the rules reflect the reality of the modern era of mail coming to the Prime Minister in particular but also cabinet ministers and members of Parliament.

Mr. Deputy Speaker: I can tell the hon. member that I am not in favour of changing the rule, however I will look into the matter and get back to him.

Mr. Charest: I doubt very much that this is a question of privilege. It probably is not. The debate would probably stop immediately. Furthermore, there is one rule in this House, for example, that does not permit members to put on or to show something when they debate. In the same spirit I think we can draw a conclusion that we certainly would not want to encourage members on all sides of the House, and it is not just a matter of members on this side, but on all sides of the House, to enter into a procedure where we are sending packages from one side to the other, or putting on demonstrations for the sake of the House or for the sake of making a point.

I think that is the spirit of the rules of the House now, and I expect the Speaker will want to look at such a question in that very spirit.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—THE ECONOMY

The House resumed consideration of the motion of Mr. Turner:

That this House condemns the Government for its mismanagement of the Canadian economy, including:

1) the threat to impose a new 9 per cent sales tax that is regressive, inequitable, invisible and inflationary;

2) an unjustifiable high interest rate policy, with an interest rate spread between Canada and the United States that is at record highs;

3) negligence in the management of Canadian trade causing unparalleled reductions in our trade balance and a loss of jobs, and threatening the survival of many formerly thriving Canadian industries;

4) abandonment of Canadian primary producers with resulting undermining of the farming, fishing and forest industries; and

5) continued neglect of regional disparities.

Mr. Deputy Speaker: At one o'clock when the House rose there were five minutes left for questions and comments on the speech of the hon. member for Kenora—Rainy River.

The Hon. Member for Winnipeg—St. James on questions and comments.

Mr. Harvard I was listening to my colleague from Kenora—Rainy River and it raised a question in my mind with respect to the inflationary pressure that would be brought on by imposition of the GST. I think the finance minister has already indicated in a number of statements that inflation would rise as a result of the levying of the GST. That in turn would probably raise interest rates and reduce our purchasing power.

The question I have for my colleague from Kenora—Rainy River has to do with what impact this is going to have on wage rates in the country. What is the response going to be from unions? What is the response going to be from ordinary workers? If they face inflation, if they face higher interest rates, if they face a loss of purchasing power, are they not going to go to their employers asking for huge raises to offset this GST?

That is the question I have for my friend from Kenora—Rainy River.

Mr. Nault: Mr. Speaker, I want to thank my hon. friend for his question. I shall preface my answer with a little background, and being a unionist myself, it gives me great pleasure to tell you that I have had discussions with some unions relating to their philosophy of how they are going to bargain once there is GST, if it so unluckily does pass.

Basically, they are not going to accept it and just allow their way of living, their improvements in life, and what they expect for their family to go unquestioned. What they will do, I am sure, when bargaining in the next round of negotiations, and some are coming up this year with very large, major unions, is expect a large increase in wages to offset the loss of their income.

I expect what you will see is a confrontation between business and labour. As you all know, it is important for labour, and the individuals who work for the different labour movements, to get the same improvements in wages as the businessman would. Therefore, he will pass

it on to the consumer. I think what we will see is mass inflation in our country because there will be an out and out war between labour and business.

Mr. Mifflin: I have a question for my colleague from Kenora—Rainy River. First, I would like to congratulate him on an excellent presentation. I did note in his presentation that he highlighted two areas that certainly are of interest to me, small business and tourism. I would like to ask my hon. friend if he could highlight some of his more pointed concerns, particularly in these areas of small business and in tourism.

Mr. Nault: Mr. Speaker, in an area like northwestern Ontario there are many small communities which are basically single-industry towns, except for the area of tourism, which is the secondary industry that we have. We have been told over and over by different governments, and this government is no exception, that tourism and the service industry is the industry of the future, that is where we should be headed, where we should be looking to in the next century.

Unfortunately, that is not taking place in places like northwestern Ontario in the tourism industry. I might say before going on that the Minister responsible for Small Businesses and Tourism did come to northwestern Ontario this summer and told all the tourist operators that he had the ear of the Minister of Finance and that there would be no problems in relation to the tourism industry. They would be looked after. There would be exceptions and exemptions for them. Lo and behold in the technical paper there is no such thing. Tourism is a big employer in regions like northwestern Ontario because of its beauty and the fact that people like to visit.

What has happened now is that the goods and service tax will increase the cost of transportation, it will increase the cost of goods, and it will increase the cost of staying in hotels and motels. That effect will run off what little tourism is left in northwestern Ontario.

What we are finding now, and these figures will bear this out, is that there is a 50 per cent drop in the number of people crossing the border from the United States to Canada. In our area tourists are dropping back because they are now going to places like northern Minnesota, which is very similar to northwestern Ontario, because it is cheaper and it is easier to have an affordable holiday, whereas in Canada we have made it too restrictive because of the tax increases that keep coming every time we turn around.

It is easy for the people in Toronto or Montreal to say: "Well, it is okay. One cent more for gasoline."

When you use vehicles as much as we do to go hundreds of miles from one neighbour to the next, it is very expensive. When tourists are put in that situation and they figure out how much it is going to cost to go on their holiday, with the travelling involved, they suggest to their families that because of their pocketbooks it is just not affordable. Therefore they go somewhere else like northern Minnesota which is not doing us any good. To add insult to injury we are now going to lose VIA Rail, a big tourist promoter in northwestern Ontario, which also brings megabucks as does tourism in our area. So now we have the double whammy.

• (1530)

Therefore, I suggest that we cannot afford this goods and services tax, not in northwestern Ontario, not anywhere in Canada. I suggest that the Minister of Finance take a different approach and look at stimulating the economy through different mechanisms rather than raising taxes over and over again.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am pleased to participate in the debate today because I think it is important that we put some of these statements that have been made about the goods and services tax into some perspective.

There have been some who have said that this tax is something that has been dreamed up at the last minute and put before the Canadian people. Nothing could be further from the truth, because back in November of 1984, in the agenda paper for economic renewal, I did state for the first time on behalf of the government that this was a tax that we were considering. It was all part of the economic plan that we put forward at that time. It was a plan designed to reduce the deficit, to get out debt under control, to improve the operations of the economy by giving encouragement to the private sector through deregulation, through encouragement of investment, through change in our privatization policy, freeing up markets, getting access to the large United States market, as well as the multilateral trade negotiations. It was also designed to help Canadians get better training and

get better equipped to face the future. All of this is combined with tax reform as well.

We have had the first stage of tax reform that became effective in 1988 for personal income tax and corporate income tax. Now we are moving in a systematic way to the second stage of tax reform, sales tax reform. We all know in this House that this goods and services tax that we are proposing is a replacement for an existing tax which is a very damaging tax to our economy. There are very good reasons why we are moving in this direction. The existing tax results in a hidden tax on our exports. The nature of the tax results in a one-third less burden of taxation on imports as opposed to Canadian production. Canada is the only country in the world today that still has a manufacturers' sales tax. Forty-eight countries have a multi-stage tax such as the one that we are proposing here, so we are not exactly pioneers in this area. It is something that has been a long time coming and it is important that we get on to this so we can remove this drag from our economy which is causing us to lose about $9 billion of economic activity every year.

There are very good reasons to bring in this new tax. One is the competitive position as I have just described. The second is to allow us to get on further in getting the deficit down and controlling our debt. Finally, since we all pay taxes, and we all know we have to pay taxes, the important consideration and the key responsibility of government is to bring in a fair effective tax. That is what we are doing with the goods and services tax.

Now opposition members have said in their interventions earlier today that everybody is opposed to this tax, and that the tax is fundamentally flawed. One thing absolutely clear is that no fundamental structural flaw has been pointed out in this tax proposal. In the month and a half in which the technical paper has been out for the practitioners to study, no fundamental structural flaws have been pointed out.

Opposition members have said: "Let us scrap it. Let us get back to the drawing boards". As I said a minute ago, governments have been trying since the early 1950s to get rid of this existing tax. Mr. MacEachen, the Minister of Finance in 1981, made a proposal to get rid of the tax and move it to the wholesale level. That did not work, but he did ask for Mr. Wilf Goodman, Q.C., to head a committee that would advise on the way we should be moving from the manufacturers' sales tax to a new type of consumption tax. In essence what Mr. Goodman proposed, moving to a multi-stage tax at the retail level, is the precise form of taxation that we are talking about today.

After Mr. Goodman reported to the government, we brought out a white paper in June, 1987 and we are proceeding with consultations and discussions with many groups and organizations to fine tune and make sure that the proposal we have on the table today represents the consensus that we could achieve as we designed this tax.

What I would like to do is analyse what people are saying. In the finance committee people have said that hardly anyone agrees, but it is very clear that there is a common theme running through here, namely, that practically everyone has said get rid of the old tax. People have some problems with the proposal that is on the table today, and when one analyses exactly what they are saying, it is very clear that some have come down on one side or the other side of the particular issue. Yes, both sides are opposed, but they also have diametrically opposing points of view. People have said they want to recommend change by lowering the rate, by changing the credit, by changing the tax base, and by reducing the compliance costs. Yes, there is this criticism, but let us examine it further.

How would those who want to reduce the rate go about doing that? By reducing the credit? By reducing the small business payment, or offsetting the compliance costs? Would they do it by reducing the housing rebate? Some people have been saying we should reduce those things.

But on the other side we have the small business community saying: "You have got to pay more on the compliance offset". The housing industry is saying "You have to raise the housing rebate". Others have said we have to increase the size of the tax credit.

We have very clearly conflicting points of view. We have people who are saying it is important that we reduce the complexity of the tax. One of the elements of complexity is whether or not groceries should be taxed.

We have some people who are saying "Yes, tax everything. Groceries should be taxed". On the other hand, we have the grocery association and some of the organizations representing the lower-income people, people on welfare, who are saying "By no means should you tax food".

Again we have people saying tax food and others saying don't tax food. We have people saying exempt me, exempt the product that I sell while we have people who are saying tax everything. That is the position we have seen develop over the course of the last few weeks. There is criticism, but that criticism is also diametrically opposed.

I want to comment on one thing that the Leader of the Opposition said today. I could not believe my ears. He said "This government has lost complete control of spending". How can this man talk about completely losing control of spending when, as finance minister, his government's spending increased at a rate of 29 per cent in one of the years in which he was minister of finance. The program spending of the Government of Canada prior to our taking office was increasing at 5 per cent higher than the rate of inflation, 14 per cent per annum. Compare that to this government which he says has totally lost control of spending. Our program spending has increased at 3.5 per cent per annum, a half per cent below inflation, rather than the 5 per cent above inflation under the previous government.

People—including I believe the Leader of the Opposition—have said that this is the most regressive form of taxation.

When we came into office we had a sales tax system that resulted in low-income Canadians paying two or three percentage points more of their income in tax than people in upper incomes. Now, with the GST tax system including the tax, the low-income credit and the middle-income tax reduction, we have the exact opposite. People with low income are paying two or three percentage points less of their income in sales tax than people with upper incomes. Rather than moving into a more regressive tax system, we have moved into a progressive tax system in sales tax reform.

• (1540)

The NDP said that it would never impose a consumption tax. I do not know where the member from Kamloops was when the NDP signed the finance committee report which said, "In short, a single rate value added tax on the broadest possible base is a desirable objective." Does the broadest possible base include things like children's clothing and services? I would like him to describe what they had in mind when they signed that report as to what the broadest possible base is, because we have an example here of politicians talking out of both sides of their mouths. I think Canadians are getting a little fed up with that type of reaction from their political members.

Let me get back to the essential point of my intervention today. The government position as set out in the technical paper that we put forward on August 8 is a proposal which has been developed after much study and careful consultation since June, 1987, when we put out the white paper on tax reform. We consulted with the provinces for about two years. The result was the technical paper, a very specific proposal which took into account the balancing interests about which we had discussions during this period of time.

We expect opposition and we expect different points of view. It is the responsibility now of the government and of the committee to reconcile these points of view. It is the responsibility of the opposition not to blindly repeat each piece of criticism but to join in this debate, to join in this discussion. I call upon the opposition members and the public to engage in this debate so that together we can develop the best form of sales tax system in the world today.

Mr. Manley: Mr. Speaker, I listened with interest to what the minister had to say, having sat through the hearings of the finance committee for the last number of days. Many of his comments on what the witnesses were saying are certainly of interest to me.

I would like to point out to him that even the staunchest supporters of the tax, the ones who have said you should go ahead with it, have been adamant in pointing out the flaws. Even those who think you should tax everything that moves—we were told this morning you should tax the interest on the bank accounts—say

that we cannot live with a two-tiered tax if the government cannot get the provinces on side. This is, in the words of the retail council last night, an act of self-mutilation.

We heard on the news last week that this government in fact had—and I suppose still does—a proposal in its back pocket that would allow an amendment of the manufacturers' sales tax to continue a tax only at the federal level so we would not get into this incredible mess that we are leading into with a two-tiered system of consumption tax in Canada.

Whatever other flaws there are in this proposal, and there are many, the fact that we cannot have a single-tiered tax system in this country makes it impossible to go ahead with this proposal.

I think the minister should admit that. He should get up and say: "This is the best we can do but it is not good enough and, therefore, we will have to find another way to address the inequalities and the problems in the manufactures' sales tax". The best minds in Canada will have to address themselves on how to fix that tax because we have to live with this federal system.

In fact, as we heard this morning in the committee, it is really the monetary policy which this government is pursuing that is hurting our exporters a lot more than the manufacturers' sales tax. It adds 1.2 per cent to the price of an export. In the last 23 months the exchange rate of the Canadian dollar has gone from 67 cents U.S. to 85 cents U.S.

That is a much greater problem to the exporters than the manufacturers' sales tax. Yet the government does nothing to address the problem of high interest rates in Canada. I would like the minister to tell us whether it is true, as the reports have suggested, that the Department of Finance had prepared for him a proposal to amend the manufacturers' sales tax at the federal level only without going to a multi-stage value added tax.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, the hon. member is absolutely right. That was roundly criticized by all members of the finance committee in the last Parliament. Surely, the government would be criticized roundly if we did not listen to the views of the finance committee. That is why we have not proceeded with that and why we are proceeding with the goods and services tax.

The hon. member asks why are we not dealing with the problem of high interest rates. We are, Mr. Speaker. But we are not doing it in the way that was dealt with by the government 10 years ago.

I remind the hon. member that we had an inflation problem in the 1970s. The rate of inflation in 1976 was about the same as it is now, 5.5 per cent. About four years later it was up at 13 per cent because the government of the day swept it under the carpet. We are addressing this head on with our monetary policy. It involves for a while high interest rates, higher than I would like to see, higher than the hon. member would like to see. But I know it is necessary for us to endure these rates for a period of time so we can get that problem of inflation under control.

If we do not get inflation under control, we will be standing here in the House talking about 13 per cent unemployment and the 20 per cent interest rates that we had in the early 1980s. This government is not going to repeat those mistakes. We are going to deal with the problem of inflation now and not sweep it under the carpet. We learn from past mistakes that others have made. We do not blindly follow the shibboleths that my hon. friend would like us to.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Winnipeg Transcona—The Environment— VIA Rail cutbacks—Request for impact study / Government position; the Hon. Member for Algoma—Dairy industry; the Hon. Member for Thunder Bay—Atikokan—Transportation—VIA Rail services / Government position.

GOVERNMENT ORDERS

* * *

[*English*]

SUPPLY

ALLOTTED DAY S. O. 81—THE ECONOMY

The House resumed consideration of the motion of Mr. Turner (Vancouver–Quadra) that:

That this House condemns the Government for its mismanagement of the Canadian economy, including:

1) the threat to impose a new 9 per cent sales tax that is regressive, inequitable, invisible and inflationary; 2) an unjustifiable high interest rate policy, with an interest rate spread between Canada and the United States that is at record highs; 3) negligence in the management of Canadian trade causing unparalleled reductions in our trade balance and a loss of jobs, and threatening the survival of many formerly thriving Canadian industries; 4)abandonment of Canadian primary producers with resulting undermining of the farming, fishing and forest industries; and 5) continued neglect of regional disparities.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): I am very pleased to be able to stand up today and speak on the economy. But like the Right Hon. Leader of the Opposition I am saddened and disappointed that I have to speak on such a sombre note.

There is so much to talk about, it is difficult to know where to begin. I could talk about the disastrous effect of the GST like many others have done today. I could talk about the disillusionment of the 2.5 million senior citizens at the clawback. I could talk about the dramatic decline of the federal direct assistance to business in Atlantic Canada, the anxiety of fishermen over the future of the fisheries on both coasts, the increasingly destructive effect of the high interest rates to which reference was just made. There is also the fact that during the second quarter of the year over-all economic growth hit the skids along with exports, corporate profits, housing starts, auto and retail sales. Even the tourism deficit hit a historic high of $1 billion. That is a large percentage of the whole business.

Yesterday we sat in this house and heard in disbelief that the government leaked plans to slash VIA Rail. I could express my concern and that of my colleagues over the 31 times our taxes have been increased by the Minister of Finance since 1984, in most cases without telling us what was going on.

I could talk about this government's policy of removing almost all barriers to foreign investment in which foreign buyers have enthusiastically responded, or the reports that there have been 23 Canadian companies sold to U.S. buyers during the first six months of this year compared with 11 during the first half of 1988.

I could talk about Canada's 514,000 full-time university students who are resuming their studies at 68 degree-granting institutions this fall, for whom overcrowded classrooms, outdated equipment and deteriorating building plants are a fact of life. I could talk about the million youngsters in this country that will never be able to be the teachers, professors, engineers and leaders that they have the potential to be because of the economic circumstances.

• (1550)

I could highlight the concern that free trade is costing us control of our economy. I could use as examples, unfortunate examples, the unexpected and the ironic twist in which the government is being forced to buckle under a free trade bilateral deliberation that threatens Canadian restrictions on the export of fish in British Columbia and threatens that industry, 4,000 jobs and $580 million worth of exports.

I am more concerned as the member for Bonavista—Trinity—Conception, that this will go on to threaten the east coast fishing industry. It is hard to know where to start and where to end. We are all the victims of time and circumstances in this House, so I would like to concentrate on two aspects of the economy that concern me the most: The changes to the Unemployment Insurance Act, Bill C-21, and the goods and services tax.

First, Bill C-21. There are a number of things that concern me about this deplorable initiative of the government to divert $1.3 billion from the $13 billion fund in the near term and to eventually withdraw all government support of the future to the tune of what is now $2.9 billion.

There are individual concerns, but, above all, it is the negative synergism of all these concerns taken together. In this case, the individual points add up to more than the sum of the parts. They add up to something like 10 or 12 times the effect, and the effect is not linear, it is more like exponential.

Let me outline the results of the proposed changes that concern me and practically every person involved with unemployment insurance in the riding of Bonavvista—Trinity—Conception, the province of Newfoundland, Atlantic Canada and perhaps all over the country. First of all it represents a breach of trust. It is a broken promise solemnly made by this government last fall. It redirects money for the unemployed into training. There is nothing wrong with training but why should it come out of the unemployment insurance fund? More important, it is training for jobs and positions that do not exist in my riding. I do not see them ever existing.

It provides the level playing field by getting the government out of the UIC business, insisted on by the free trade agreement for the benefit of the United States, not for the benefit of Canada.

It hurts the very people it was designed to protect. It was sudden; it was abrupt; and it attacks the very heart of the Canadian social security system, a program about which Canadians care very deeply. It runs counter to the expectations of Canadians. As if that were not bad enough, this is at a time when the Minister of Finance himself admits that next year the unemployment rate will run from 7.7 per cent to 8.5 per cent, a 10 per cent increase in one year. He promises that next year we we are going to have a 3 per cent rise in inflation. We add all this up with the unemployment insurance changes, and it is not a very bright picture.

Taken all together, they spell disaster. This is the constitutional right about which Canadians concern themselves, and the government has attempted to privatize it. That is just not honest. The questions has been raised here today about whether or not this is lawful. There is no doubt that it is unjust. Perhaps unlawful justice is done and lawful injustices are committed somewhere in the world every day, but this is Canada. We do not have to stand for that and we will not.

An Hon. Member: And we won't.

Mr. Mifflin: No, we won't. During the election campaign the Right Hon. Leader of the Opposition was accused by this government of using tactics to scare Canadians. They said he was wrong. He warned that the free trade agreement risked major changes to our social programs because our senior negotiators admitted that they did not have the time to work out the definition of regional development and subsidies.

Well, he was right and they were wrong. He was right because what he said might happen is happening. They were wrong for two reasons. First of all, they broke their promise. More importantly to me and many of my constituents, they knew they would break that promise even as they were saying the opposite at the time. That is nothing short of despicable. They cannot be trusted.

I want to take a few minutes to talk about my concerns over the goods and services tax. More and more, I find my reaction to this terrible proposal—there is only one term that I can use— inexpressively distressing. It is nothing more than a cash cow that will raise wages, fuel inflation, cripple small business and drive consumers crazy right out of their minds.

I spoke about my concerns earlier in this House on June 15. Three months later, my concerns are greater. The more I learn about what the government thinks it has in mind, the more concerned I become. Is it any wonder I am concerned? The government said this was going to be revenue neutral. The very first statement in its shameful attempt to bribe Canadians with their own money into accepting this bill of goods is the following statement: "It is going to be revenue neutral and it is a major part of the ongoing program to reduce the deficit".

I am confused. The government said it was going to be done in co-operation with the provinces. Not one province agrees. The government said it is going to be visible. We see it is not visible. It is going to be simple. Somebody estimated, I think it was the Consumers' Association of Canada, that 10,000 bureaucrats will be needed to administer it and somewhere in the vicinity of billions of dollars.

Let me look at the experience of some other countries very quickly. Denmark, same tax, 10 per cent to 22 per cent; France, 13.6 per cent to 18.6; Germany, 10 per cent to 14 per cent; New Zealand, 10 per cent to 12.5 per cent; Britain, 10 per cent to 15 per cent; Holland, 12 per cent to 20 per cent and, Sweden, 10 per cent to 24.5 per cent. If we follow the example of Sweden, we would be able to cancel all income taxes and get the same revenue. That

is a startling revelation and perhaps I should not reveal it to this government.

Everybody is against this tax. Eighty per cent of Canadians are against it according to a recent poll. As far as I am concerned and from what I hear today, the world is against it. We have a saying in Newfoundland that I would like to trot out for the Prime Minister and the Minister of Finance. It is a very simple statement. They say: "In a fight between yourself and the world, back the world".

Mr. Reid Mr. Speaker, it is a great privilege to be back here and to have the opportunity to respond to my hon. friend and fellow Newfoundlander who, I should like to point out to this House, was very kind to me recently during some time that I spent in his beautiful and historic constituency. Unfortunately, that does not make up for what we have heard in the last ten minutes from my friend opposite who wanted to talk about this government's policy in terms of the economy.

This government's policy let us see in this country the creation of 1,550,000 jobs since September, 1984. The national unemployment rate is falling from 11.6 per cent to 7.4 per cent and the youth unemployment rate, a concern to all Newfoundlanders and Labradorians, and all Canadians and members of this House is falling from 18.2 per cent to 11 per cent. In our province, it has fallen a total of 10 per cent over that period of time.

We have seen in terms of growth and expansion in the economy 20 per cent, growth that the hon. member talks about as being unacceptable. In 1988, 223,000 homes were built in this country. In 1984, 135,000 homes were built in this country.

Let me talk more specifically, if I may, about the region. Total unemployment in Atlantic Canada has fallen by 33,000 compared to an increase of 65,000 between 1980 and 1984. In 1988, in Newfoundland and Labrador alone, we had the largest drop in unemployment of any province in this country and we saw an increase in jobs of 10,000, 10,000 people who were working that year but were not working the year before.

• (1600)

I have a short time left. I know my friend would like to comment. I do have one thing to say about unemployment insurance. Next year it is anticipated that $865 million in benefits will be paid into my province under employment insurance. The proposals made by this government will see a reduction of some $30 million out of $865 million in straight benefits.

We see an increase of $45 million for things like Community Futures, older workers, maternity benefits and benefits for those people who need help in times of sickness. Community Futures is a program which in my hon. friend's constituency has been shown to be hugely successful. In most of our provinces, it has been hugely successful and we have more money from this program.

The thing that aggravates me more than anything else when dealing with unemployment insurance is that narrow-minded, closed, "don't-change-anything" attitude. If we change nothing, we see no progress, we see no evolution, we see no hope. We must say to people that we keep adapting, we keep moving, we keep changing because there are options. This provides options.

Mr. Mifflin: Mr. Speaker, I am delighted to rise to congratulate my hon. friend from across the House on a first-class revelation of statistics. I do thank him for conceding that he enjoyed his visit to Bonavista—Trinity—Conception. I wonder if he would like to return and make that speech in the town hall that he just made. If he did, I would demand equal time. There are a number of things that I would like to say.

Statistics are a little bit like a lamp to a drunken sailor: more for support than for illumination. I would like to point out that what he did not mention was the money lost to UIC recipients in the province of Newfoundland alone. According to a reputable study—I cannot quibble with the figures—if we include the UI payments to recipients that they will not get plus the income tax benefits that would be paid anyway, the loss is $91.7 million. I have divided it three ways, and in the riding of Bonavista—Trinity—Conception, I cannot conceive of how to explain what $30 million means to my riding.

He also did not mention the very crucial area of job development that I deal with on almost an hourly basis in my riding. The hon. member knows that because he does the same thing. I am dealing with a loss of $53 million over all in the country and that affects me to a degree that causes me distress every day. I have to turn to people and say: "No, you cannot have your community hall, you cannot have your fire hall, you cannot have this

and you cannot have that," because all of a sudden the ground rules have changed.

The perception of Mr. de Grandpré, as I understand it, and I think we paid him $1.5 million to do this study, was a vision of a trampoline which would put you back into the training market and a safety net which was unemployment insurance if you fell off. The government wants to have the trampoline but not the safety net, so if you fall off the trampoline, you might go right through the safety net. That is what my people are concerned about. Mr. Speaker, I thank you for the opportunity to respond to my very learned friend.

Mr. Jack Shields (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, it gives me a great deal of pleasure to participate in the debate today. I would like to preface my remarks by pointing out what this government has done to restore Canada's competitiveness on international markets.

I would like to point out that we have done more in our term of office to improve our competitiveness in the international market-place than any other government in the history of this country. We have liberalized investment controls, we have deregulated energy and transportation, we have privatized many state-owned enterprises, we have developed a new labour market strategy, we concluded a free trade agreement with the United States and we have undertaken major reform of income and corporate taxes. We are now reforming our manufacturers' sales tax.

These moves have been and are part of a concerted plan to make markets function better for the benefit of all Canadians. Despite the inevitable transition problems that accompany major reforms, the longer term benefits are clearly apparent and have already done much to improve Canada's economic performance. There has been a remarkable rise in business investment in Canada over the past few years and that is testimony to the strong business confidence resulting from our policies.

Intended business capital spending in 1989 amounts to $82.7 billion. That is an increase of 13.6 per cent over 1988. That means jobs for Canadians. The OECD projections of economic growth continue to put Canada ahead of the pack among member countries.

The next steps in improving our competitive position will involve measures to remove distortions in Canadian markets while securing our access to foreign ones. The new goods and services tax is an important instrument for that purpose.

The goods and services tax replaces a manufacturers' sales tax that has been universally recognized as obsolete and distortive. It is broken. In particular, replacing the manufacturers' sales tax with the GST removes the bias that exists, imports over domestic production that is there in the manufacturers' sales tax. Can you imagine, Mr. Speaker, that we tax goods produced in Canada more than we tax goods being imported into Canada? We are shooting ourselves in the foot continuously every day that this manufacturers' sales tax stays in place.

The GST applies at a single rate of tax to a comprehensive base of traded goods and services leading to a more efficient allocation of resources. That helps to lower the cost of capital to Canadian businesses which makes them more competitive and it lessens the relative burden on manufacturers which makes the manufacturer more competitive.

Canada, as the Minister of Finance pointed out, joins an increasing number of industrialized countries that apply multi-stage consumption taxes. Those countries, it should be noted, have gained increased competition for their exports. It has done nothing but good for them. It has made them more competitive in the world market. Not least, implementation of this tax will remove a major source of uncertainty affecting growth and investment decisions.

Canada has for a long time been the only country to operate a sales tax at the manufacturing level and one that, by its very structure, disadvantages our own producers as compared to foreign exporters. That is why we have seen the influx of foreign goods at a more competitive price than Canadian goods on the shelves in our stores.

The manufacturers' sales tax taxes domestic inputs of marketing and distribution costs which were not fully captured in the tax levied on imports. Because the manufacturers' sales tax was essentially invisible from the point of the consumer, people were not aware of the effects on their choices as consumers. They did not know it was there. They did not know how much tax they were

paying on the goods that they purchased. It did not affect their choices as consumers or indeed their jobs as producers. The new goods and services tax will be visible and will remove or reduce the above biases to consumption and production.

• (1610)

In trade terms, Canada achieves by reform of the manufacturers' sales tax the removal of a self-inflicted wound. We are going to stop shooting ourselves in the foot. We increase the advantages to Canadian producers in markets in Canada and indeed when they export abroad, without, I might add, having to offer additional concessions to our trade partners.

The GST will lead to a significant improvement in the efficiency with which resources are allocated both within Canada and between Canada and other countries. The manufacturers' sales tax as it stands today provides for four different rates of tax. There are 22,000 special exemptions that have been won through the tax courts of Canada. Presently there are approximately 130 cases in the tax court seeking special exemption from the manufacturers' sales tax. Anyone with an ounce of sense would recognize that this distorts the relative prices of the commodities concerned and the investment choices that were made on that basis.

The reduced efficiency that flowed from this was reflected in output below potential. Canada's output today is below potential because of it. That reduces any gains that we might make from trade.

In contrast, the goods and services tax provides for a single rate of taxation applied to a comprehensive base of traded goods and services. The manufacturing sales tax incentive to shift out of manufacturing into services will be removed. Companies are restructuring, trying to move as much out of manufacturing into other areas of doing business and not always in a very efficient way. Producers, instead of concentrating on that kind of thing, will be able to allocate their productive capacity to the most economically remunerative purposes. That makes them more competitive.

This will be an important factor for the continuing restructuring of the Canadian economy to meet international competition. We must become internationally competitive. Because Canada is a trading nation, our very prosperity depends on this competition.

With an efficient tax system, business can concentrate its efforts on decisions about the best use of real resources rather than concentrate on how to minimize tax liabilities. An efficient consumption tax will also serve to encourage savings, an element that is very important at a time of large demands for capital accumulation and restructuring of the economy.

This is a difficult period for many western economies. The stresses on international trade and payment systems have grown from a number of sources, escalating debt, weak commodity markets, major payment imbalances, proliferating barriers to trade. Canadian economic and trade policy has balanced the needs arising from these and other uncertainties in order to gain security and growth for Canadians.

Through the free trade agreement, we have secured duty-free access to the largest national market in the world. Access, however, will not do us any good if we do not also develop the competitive capabilities to make use of it and to extend our influence into other developed markets. This is what the GST will help us do together with other ongoing elements of the government's economic program.

Mr. Harvard: I must say at the outset, Mr. Speaker, that the stoicism of my hon. friend from across the way is quite remarkable. The flames of protest against the GST are searing hot right across the country but particularly in his own home province of Alberta, and there he stands placidly, serenely, indifferently, as if nothing was going on outside of this House of Commons beyond Parliament Hill. It is as if the part of Canada where he lives belongs to some other planet. The fact of the matter is that Canadians are extremely upset about this tax and yet he did not recognize that fact at all in his 10 minute speech.

Since this government was first elected in 1984, it has failed to come to grips with the deficit despite all its protestations about the deficit. The debt has gone up from about $170 billion to $340 billion. This government has raised taxes not just 10 times, 20 times or 25 times but 30 times. I think the Leader of the Opposition identified the number of times this government has raised taxes: 31 times! Yet it is this government that talks

about its fiscal management as though it is doing such a tremendous job.

On top of this record of the past five years, now this government has the nerve, the unmitigated gall, to come along with this whopper called the GST and is going to gouge Canadian taxpayers to the tune of $10 billion extra as though we had just all kinds of money to throw away.

The Minister of Finance who spoke in this place just a few minutes ago has broken his promises over and over again on this issue. He talked about visibility of the tax. There is no visibility. He talked about a federal sales tax scheme that would be integrated with sales taxes in the provinces. Did that happen? No, it certainly did not. He has broken his promises over and over again.

He talked about the tax being revenue neutral. Some kind of revenue neutral. He admits or concedes that perhaps the additional gouging of taxpayers will go up to around $6 billion. We know it will be more than that. It will be closer to $10 billion.

I know I am running out of time, but I am coming to a question. Almost every major business group in this country is opposed to the GST. According to a CTV poll, 79 per cent of Canadians are against the GST and yet they push it through. I ask my hon. friend from across the way who shares one of the prairie provinces with me how in the name of heaven can this government justify pushing through this crushing tax?

Mr. Shields: Mr. Speaker, first I would like to point out that I do not share Alberta with that hon. member.

The hon. member said that the province of Alberta was adamantly opposed to the imposition of the goods and services tax. That is true. It is because of the general type of rhetoric that we just heard from that hon. member when he stood up to ask a question. His rhetoric says that they will even tax your funeral.

Mr. Harvard: I did not say that. It's true though.

Mr. Shields: No, but I am telling you that that is the kind of rhetoric—it is true? Yes, that is true because right now we tax the shovel at 13.5 per cent, we tax the casket at 13.5 per cent, we tax the shroud at 13.5 per cent and we even tax the hearse at 13.5 per cent. After the GST is put in place, it will be 9 per cent, so who is being silly?

All they are doing is raising rhetoric. When they do that, I think they do a real disservice to Canadians in every walk of life. Hon. members, even if they are in opposition, should get hold of the facts and lay them out to the people instead of coming out with rhetoric that completely distorts. I might add that they are following the same tactic today that followed in the free trade debate. Look where it got them, right over there where they belong.

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, I am very happy to be able to participate in this important debate today. It is an important debate because of the nature of the legislation pending. It is a very important debate because of the implications that this will have on the people of Canada.

Certainly the people of Canada have spoken loudly and the government has yet to listen. The goods and services tax is indeed a very bad tax. It is a tax that we have described as being in the wrong place at the wrong time. It is a tax which we discussed in Question Period and in previous speeches today as a tax which is just ludicrous to be imposing upon the people of Canada.

The motion before us today is one which I can support with a number of changes. The first part of the motion reads:

> 1) the threat to impose a new 9 per cent sales tax that is regressive, inequitable, invisible and inflationary;

While I agree with everything that is there, I would also agree with the motion if that had read 2 per cent, 1 per cent, 9 per cent, or 12 per cent. The number is irrelevant in this case. It is not a 9 per cent tax we are fighting, it is the tax we are fighting, the goods and service tax, the grief and suffering tax, as the hon. member for Kamloops said earlier.

• (1620)

In order to support some of the things that have been said around the country, the finance committee is looking to expand its hearings from the Ottawa area into the other cities of Canada. As you are aware, Mr. Speaker, the finance committee has decided that this is an important enough issue that it will extend the sittings to different places in Canada: Halifax, Edmonton, Vancouver. The closest that the finance committee will come to the area where I live in the constituency that I represent is the city of Regina.

My colleague in the provincial legislature, Doug Anguish, who formerly sat in this House and is now the MLA for The Battlefords, and I together are going to have our own public hearings in the city of North Battleford on October 7. We are going to listen to the concerns of the people of The Battlefords and The Battlefords—Meadow Lake constituencies because while the finance committee considers their views to be important, the finance committee cannot extend into all parts of Canada, particularly the rural and remote areas that are probably going to be affected harder by this tax than the urban parts of the country.

We want to give the people of our constituency the opportunity to present their views to the finance committee and to the Government of Canada. I have no doubt about some of the things I am going to hear when we hold our hearing in the city of North Battleford on October 7. The types of things I am going to hear will be similar to what has been provided to the finance Committee here in Ottawa and to us in the House of Commons by way of letters and the media.

A number of the things we are going to hear about are people in the retail sector expressing their frustration with the nature of the taxes that apply to their operations. First is the consumer end of it, having to fight on the front line, defending the collection of this tax to angry consumers who are going to be paying this tax at the front end. It is not the finance minister who is going to have to stand there and explain why this box of diapers cost 9 per cent more today than it did yesterday. It is going to be a clerk or a store owner in small-town Saskatchewan who is going to have to say: "The government needs the money." It is not the finance minister who will hear that directly from the people who need those diapers and other services and goods that have not been taxed before at the retail level.

Certainly some things have not been taxed at all before. The hospitality industry, small hotels, cafes, gas stations, dry cleaning services, hair salons, in the smaller areas is suddenly going to be collecting a tax for the federal government because it is providing services to the people of its community. They become the tax collectors, and it is not these people over here or the 5,000 to 10,000 new tax collectors who are going to be hounding them who will actually be taking the money from the consumer. The small town, rural and remote business people are the ones who will have to take the brunt of the frustration in the future for the strange moves of this government opposite.

I want to suggest a number of things. Earlier I had mentioned that it is not the 9 per cent but the tax of any per cent that I oppose. One of the things of which I am most scared is that this government, using the finance committee and parading witnesses in front of us, is going to try to provide a reason why, if 9 per cent is not appropriate, perhaps 6 per cent or 7 per cent will be appropriate.

We will have to broaden the base then because we still have to collect all of this extra money to pay off the deficit for the mismanagement of this government.

Seven per cent or 4 per cent attached to food now, this government tells us, will be acceptable to the Canadian people. Four years from now, that 4 per cent could become 9 per cent and it will be applied on food. We will not have gained anything by this debate and the frustrations expressed by people. All we will be doing by lowering the rates from 9 per cent to any other rate is simply forestalling the inevitable with these people on the other side of the House, and that is to have a broad based tax that is going to apply to food.

What does a broad based tax mean? We are just referring to it in terms of food, but what are the other exemptions? They are dental care, prescription drugs and those types of things that have been exempted. If we are broadening the base of this tax, we are talking about applying a tax to food, dental care and prescription drugs.

I, for one, want to be firmly on record, standing in this place, in front of all these people and anyone who is watching, as saying that I never want to see a tax on food, prescription drugs, medical appliances or heath care items of any kind at any time.

Why do we need all of this extra money? We are seeing ads from the government, and by the way, we cannot forget that the government has already indicated that it is prepared to spend $7 billion over the next two years to sell this tax to us through advertising. What is it that is causing this great need for this massive amount of money? It is not just the deficit. Do not forget that it is not that long ago that we stood in this chamber and debated the free trade legislation which was going to allow us to transfer and sell goods into the United States without tariffs. We argued then that that meant that we also would allow free access to the Canadian market for

American goods without tariffs. That move alone cost the Canadian people $2 billion in lost revenue.

Now the Canadian government is saying that we have lost the revenue and we have to make it up, let us charge the consumers, let us charge the poor, let us charge the people of Canada so that the Americans can sell cheaper goods on the Canadian market and take away Canadian jobs. I think that is an awful situation and it is one of the things that we have to keep in mind when we are dealing with this goods and services tax and the approach that this government is taking to all of us across the country.

There are a couple of other things that I want to express, particularly relating to agriculture. This government is pushing upon the farm community in Canada a whole broad range of exemptions for farm products under the goods and services tax. I do not want to play around with the nature of the tax at all and I do not agree that you put some things on and you provide exemptions on the end. The government is forcing farmers to pay cash up front, apply for rebates in the back and then expect that they will get paid back some time down the road. It is a ludicrous situation.

The point I want to make here is that if this government believes that the farm sector is important, then exempt the farm sector completely. Do not play around with this rebate and credit stuff. Exempt the farm sector if you consider it important and forget about the rebates, the delays and the cash flow problems that this whole situation is going to create for farmers, and that includes land transfers, leasing land, selling and transfer of crops and all of that sort of thing.

In conclusion, Mr. Speaker, let me say to anybody who is thinking seriously about supporting the goods and services tax, think first about what it is that you want this tax to do. Is it to reduce the deficit? There are other ways to do that. Is it to make our trade better with the United States? There are other ways to do that. Is it to reform the Canadian tax system? There are other ways to do that and they are all much better. This goods and services tax does not address the needs of the Canadian economy. It addresses the needs of the government opposite and we have to change that. We have to do something about that. Unfortunately, for some of us it means waiting until the next election, but by golly we are going to be there and the Canadian people are going to do that for us.

• (1630)

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I am happy to have this opportunity to participate in this debate today, because certainly any debate relating to the economic policies of the government and hence the economic progress of the country is exceedingly important.

I think it is important to understand, when we look at the goods and services tax or any other particular part of the whole, that this government, going back to 1984, did in fact begin to develop and has put in place since then an over-all policy designed to generate the growth of a strong economy. I think what is important is to remember that each part of this policy has been part of an ongoing program. Naturally, we as citizens have a tendency to isolate the various proposals and to see them, perhaps, distinct from the other and to forget that indeed they are part of an ongoing policy. In doing that we may not fully appreciate the benefit of each.

This plan really had three central elements. First and foremost was the plan to reduce the deficit, because we understood as a government that unless we did something to reduce both the annual deficit and, eventually, the national debt, that we as a nation would indeed be crippled in the future. I think it is important to reiterate the fact that we have made good progress in the reduction of the annual deficit which must, of course, occur before we can reduce the debt itself. In fact, since 1984 the annual deficit has been reduced by $10 billion per year. I think that figure of $10 billion per year is worth repeating because there are a lot of people who forget that it exists.

In addition, it is also important to understand that in the plan, a part of which is now before the House of Commons, there is a further projected reduction in the annual deficit of $14 billion per year to be in place by 1993-1994.

We have also made good progress with respect to our proposals to permit Canada as a country to compete more effectively in the world market. Part of that, of course, is the free trade agreement which has been place for a few months and part of it also relates to the GATT talks which are an ongoing process and which are vital to

our future in light of the fact that we have been and will continue to be so heavily dependent on exports.

Third, as part of this plan, the government announced some time ago that it was exceedingly vital that we should have tax reform so that the policies of the government would be fair to all Canadians. It is this latter part of the over-all plan that I would like to speak about this afternoon, and to discuss where the GST fits in because it is, indeed, related to all three parts of the over-all plan.

Going back to November of 1984, Mr. Speaker, as you will recall, the government introduced what was called the Agenda for the Economic Renewal of Canada. That is when the government laid out its long-term plan describing how we would, over a period of time, put in place policies which would regenerate economic growth in this country. Within that policy framework there was emphasis on job creation, economic growth, sound fiscal management, economic efficiency and improved international competitiveness. Not only have we, as a government, followed this agenda with our economic policies, but I think we have real evidence that our plan is working. With our economic initiatives, from job creation and encouraging business investment to deregulation of energy and transportation sectors, our economic record begins to speak for itself.

The goods and services tax which by the way is a replacement tax, as I think all of us in this House understand but unfortunately which not all Canadians yet understand, is a continuation of that agenda, part of a plan to build a strong economy for Canada.

The 1987 White Paper on tax reform recommended that tax reform should take place in two phases. About a year ago we had phase one and today we are beginning the debate with respect to phase two. Briefly, as most of us understand, the goods and services tax which will be broadly based will replace a woefully inadequate and patently unfair 13.5 per cent manufacturers' sales tax which has been in place in this country since 1924.

I think it is important in passing to remind ourselves, and perhaps to remind Canadians, that every political party in this House has agreed that the manufacturers' sales tax has been a disaster and that it must be replaced.

The evidence of its inefficiency and unfairness lies in the fact that of the 75,000 Canadian businesses which are part of the manufacturing sales tax some 22,000 have separate and independent tax arrangements. That, in itself, has to be evidence of unfairness and inefficiency.

We believe that the goods and services tax will benefit, once it is in place and once we understand it, Canadians in all regions. What I would like to talk about is how the goods and services tax will impact on farmers. That is also the subject of the discussion in which my hon. friend was participating.

Most of us understand that a number of items will be exempt from that tax. One is basic groceries. The fact that basic groceries will be tax free under the goods and service tax means that Canadians will not pay any tax whatsoever when they buy them. Making food-related products tax free will ensure that basic groceries are completely free of tax. With limited exceptions, almost everything sold by farmers, as a consequence, will be free of tax.

A farmer selling livestock or crops to a food processor will not charge a GST on that sale. Food processors will not charge a GST when they sell food-related agricultural products to the food wholesaler, and the wholesaler will not charge a tax when he sells products to the food retailer. In turn, of course, the retailer will not charge a tax when he sells products to the consumer.

The only products that will be taxed in this process when sold by farmers, and they are worth noting because they are relatively few in number, are cut flowers, trees, wood, bedding plants, sod, soil, bait, horses, unprocessed wool, fur, hides, seeds and natural fertilizer, except when sold in bulk.

Like other businesses, farmers will be able to claim the input tax credit on what they buy to use in their business. Since a farmer can claim back the tax which he pays on all of his business-related purchases, whether he is buying a tractor or paying for the services of a veterinarian, it is really to the advantage of the farmer, despite the fact that there w5ill be some more bookkeeping, to participate in the GST. I would note in passing that there will also be some very real economic gain to the farmer in certain specific instances which would come to mind. Take for example the purchase of a half-ton, which is so vital on the farms of western Canada and throughout the country. Assuming a $16,000 wholesale value for that

half–ton with a 13.5 per cent hidden manufactures' sales tax applied now, bearing in mind that tax will disappear and also that the farmer will receive a rebate on the 9 per cent goods and services tax paid on the retail price, he clearly comes out the winner, according to my mathematical calculations. On that $16,000 half–ton I think he would stand to gain some $2,160.

When he pays the telephone company for his service he will claim the tax back. Because the farmer has the option of reporting his purchases on a month–by–month basis he will virtually be in a position where there will always be tax owed to him. Therefore I do not believe, once the first two or three months are gone by, that the cash flow crisis about which some people have spoken will indeed be significant to that farmer. I would also remind the house that the farmer will also be in a position, should the rebates not be returned as quickly as he would wish, to receive interest on that after some 21 days.

The farmer is in a good position even when he sells his land because as long as he sells his land to an ongoing farm operation tax would not be applied. Even if it is sold in part the purchasing farmer would be eligible for the rebate. Should he sell his land to a developer, should it go from an agricultural to a non–agricultural use, the tax would apply, and I would suggest appropriately apply. If this is part of a transfer to part of the family there will not be a tax charge.

In conclusion, I think this tax will be good, once we understand it, for virtually all regions in Canada. It will be particularly good for western Canada because of our dependence on exports and I think it will be particularly well understood and well received by the farm community because the farm community in the end, I believe, will come out a winner.

• (1640)

Mr. Harvey (Edmonton East): Mr. Speaker, I had actually hoped to direct this protracted question to the hon. member for Athabasca, as he is a fellow Albertan, but any defender of the government's economic policies will do.

I rise, in fact, to support the motion of the Right Hon. Leader of the Opposition and to ask a more general economic question of the hon. member, if I may, arising out of the experience we in Alberta have had during the 1980s; two successive four–year terms, first of Liberals and second of Tories federally, and of all Tories provincially from 1981 to 1988–89.

Let me start by quoting Statistics Canada employment earnings and hours to show you what the situation is now. In March, 1989, the average hourly– paid employee in the goods producing sector in Alberta worked 37.8 hours a week for an hourly rate of $14.80. By contrast, the average hourly–paid employee in the service sector worked 28.4 hours a week for an average hourly wage of $10.37 an hour. At the lower end of the service sector are trade, finance, insurance and real estate, and at the very lowest end are those jobs associated with tourism with a rate of pay of less than $6.50 an hour, for an average of just over 26 hours per week and a gross pay of about $172 a week. That is the current employment situation in Alberta.

What we find is that between 1981 and 1988 in Alberta employment in the goods producing sector actually fell from about 403,000 to about 342,000, a decrease of 15 per cent. Meanwhile employment in the service sector grew from about 748,000 to 845,000, an increase of about 13 per cent. The largest increase was in the services subsector, that poorer subsector, which grew from about 322,000 to about 402,000, an increase of almost 25 per cent. At the same time, the highest unemployment was experienced in the services producing industries, about 61 per cent of all unemployed in Canada, as a matter of fact.

This parallels a growth in part–time work. In 1988, 184,000 or 15.5 per cent of all jobs in Alberta were classified as part time, a growth of about 39,000 from 1981. During this same eight–year period full–time employment actually fell from 1,007,000 to 1,003,000, a decrease of about 0.4 per cent while officially recognized part–time employment increased by 27 per cent.

Successive Liberal and Conservative Governments have seen employment in full–time jobs fall, in part–time jobs rise, in well–paying jobs fall, in poor–paying jobs rise. I ask the hon. member is this the success of which he boasts?

Mr. Clark (Brandon—Souris): Mr. Speaker, I am happy to have a member from Alberta ask a question, particularly bearing in mind the fact that I think the whole question of the goods and services tax in Alberta is of particular interest to the people of that province because most of them seem to not understand that indeed they have been paying the manufacturers' sales tax and that they are part of a tax–paying public whether they have been paying a direct provincial sales tax or not.

So there is a 13.5 per cent tax that has been applied throughout Alberta and because it is hidden there has not been any accountability for that.

Without being able to comment specifically on the statistics which the hon. member has cited relating to his province, I would like to say a few words. First, with respect to the million and a half jobs that have been created since 1984 in this country, I do know that 80 per cent of them are full-time jobs, which was in fact a contrast with the situation as it was before 1984. I find it hard to believe that that pattern would vary substantially in one part of the country from that which exists elsewhere. I think that 80 per cent full-time jobs across the country is a very important accomplishment.

I would also suggest to the hon. member that his province, like so many provinces, has been very dependent upon one or two parts of an economy. Certainly the agricultural economy has had difficulties in the last three or four years, mostly difficulties created by climate over which we have little or no control. However, I would say to this member, as one who is very proud of what we have done in agriculture, that this party, this government, has done more to assist Alberta farmers and farmers in every other part of the country than has any other government in the history of this country.

I would also suggest to the hon. member that part of the difficulties in the Alberta economy relate very much to what has been happening in oil. If I recall correctly, his party, if not himself, because he was not here, was a very strong supporter of the National Energy Program which those two parties across the way put in place. It had a tremendous negative impact on the economy of Alberta.

I think you will see, Mr. Speaker, that certainly the goods and services tax will help Alberta because of its dependence on exports, because the manufacturers' sales tax in place now discriminates against manufacturing in Canada. It also has made it very difficult for us to export abroad because the manufacturers' sales tax has been included in the price of those goods sold elsewhere. The goods and services tax will not be charged on products being exported outside the country. That will help the province of Alberta. That will help all of western Canada.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, I want to take part in the debate today because I believe that no country can have a strong economy to carry it through the turn of the century unless it follows a sound fiscal policy. This Conservative Government has totally missed the boat in the past two years. Everybody in Canada—employers, trade unions, ordinary people and major corporations alike—agreed on the fact that a real tax reform was needed. But the Government put it off, changed its mind and, as we recall, in the fall of 1984 and in the spring of 1985 the Minister of Finance told us there was no point in revamping the tax system because everything was forever changing. So all that was needed were small corrective measures to take prevailing conditions into account. But the minute he realized that the United States would be coming up with their own tax reform he decided we had to have one as well.

Even then everybody agreed we had to reform the system. So the Minister, ever mindful of the upcoming election, chose to bring in the tax reform in two stages: first stage, the income tax, second stage, the sales tax reform. I remember very well that when the Committee on Finance began studying the first stage most witnesses before the committee said we were making a mistake and that the two stages should have been considered at the same time because a sound fiscal policy has to include income and sales or consumer taxes, both fully harmonized as a whole to achieve economic recovery.

But as I said, for electoral considerations, he did the opposite and we are now looking at a tax reform, an income tax reform which does not really meet our requirements. And today here we are dealing with a sales tax refom which Canadians reject outright. We have heard about a number of polls. A couple of days ago, I think, one such poll revealed that 78 per cent of Canadians are against the TGS, the tax on goods and services. Among others, the Canadian Federation of Independent Business reported that 97 per cent of small businesses completely reject this tax.

Well, the Minister of Finance may have the impression that he got through the first stage before the election by allowing the odd income tax rate reduction and that we are now prepared to swallow the second stage right after the election. If he thinks that Canadians will forget all about it between now and the next time they vote, Mr. Speaker, I would suggest he and the Prime Minister are mistaken because Canadians are not about to forget. People throughout the country are now getting organized to set off a real tax revolt. Canadians find this tax unacceptable.

Given what little time I have left, I should like to deal more particularly with small business. Just what does this tax mean to small business? It will be a total nightmare, Mr. Speaker. We now have close to 900,000 small businesses in Canada and out of these 900,000 businesses perhaps a small percentage is affected by the existing federal sales tax.

• (1650)

So all small businesses! And the Minister in his technical paper proposes that businesses with sales of $30,000 a year will not be affected, will not have to register for the sales tax, the new goods and services tax. Mr. Speaker, I think that is really a joke. Think of what $30,000 is worth today and what it will be worth in 1991.

So in fact all small businesses will register for this tax and we have reason to believe that the 4,000 public servants—and I do mean four thousand, Mr. Speaker—whom the Department of Revenue will employ just to administer this tax will not be sufficient.

Imagine the anxiety of Canadian small business people now, because they do not really know what to expect; it is complex.

An item may be taxable or it may not be. The new system the Minister is proposing to us will make items taxable not according to what they are but depending on the establishment and the origin of the establishment.

Mr. Speaker, imagine the complexity. Big business, banks and big corporations will not have problems because they have management systems, fairly sophisticated accounting systems that will enable them to carry on.

The Minister defends himself, as we saw yesterday when he tried to answer my question, by saying they have provided two simplified accounting systems.

With your permission, Mr. Speaker, I would like to say what John Bullock, president of the Canadian Federation of Independent Business, thinks about these two simplified systems.

I am quoting John Bullock, president of the Canadian Federation of Independent Business. He said that nevertheless, the simplified accounting methods proposed by the Government are even more complex than the rest of the system.

He said that on September 9 in *The Ottawa Citizen*. So much for simplicity, Mr. Speaker. We know very well from Mr. Bullock's testimony that the extra administrative costs for Canadian small businesses will be from $1,000 to $3,000, depending on the additional equipment they will have to buy, a new cash register or whatever.

Mr. Speaker, the $600 the federal Government proposes to compensate small businesses is not adequate and several witnesses have asked that this amount be increased.

During the past five years in the House, Members, and especially Government Members, constantly said how pleased and proud they were of small businesses which generated between 80 and 85 per cent of our employment. I am also proud of these small businesses, Mr. Speaker, and I have always been a staunch defender of small business. Today, however, these people are afraid. Canadians who would like to start a new business are now afraid to do so, because of this nightmare of a new tax, the GST. Jobs that would otherwise have been created will not materialize.

Last night, Mr. Speaker, we heard that apparently, Canada's tourism industry will lose at least 30,000 jobs. Mr. Speaker, 30,000 jobs will be lost because of this new tax!

When people say that the old tax—

[*English*]

Like the Minister used to say and still says in his speeches, "this federal manufacturers' sales tax is a killer of jobs". Well we find out that the new GST, goods and services tax, is also a killer of jobs. So what are we doing here? We are changing four quarters for a dollar and are making all Canadians miserable. New small businesses will not be created because of fear. People will say: "Why should I invest my money? Why should I risk my shirt? Why should I risk everything I worked for all my life

when maybe a few years hence a tax inspector will walk into my business and say, 'you did not charge the tax right.'" He does not know what is taxable and what is not taxable. The businessman is going to be asked to pay the tax, the penalty and the interest and he will lose everything he has worked for all his life. That is the kind of business attitude we are creating in this country.

If we say that small business is the backbone of our economy then we should stop this madness and the minister should withdraw this project immediately. He should go to the provinces, negotiate, and have one tax system in this country once and for all so that everyone can understand and we can have some business activity that makes sense.

[*Translation*]

Mr. Deputy Speaker: Resuming debate. The Hon. Member for Richmond—Wolfe (Mr. Côté).

Mr. Yvon Côté (Richmond—Wolfe): Mr. Speaker, sales tax reform is essential, as I see it, and is part of the Government's plan to provide for a better economic future for Canada.

One of the major obstacles to achieving this objective is our increasing national debt.

Before discussing the goods and services tax the GST and how it works, I would like to talk about our national debt.

Everyone agrees that this debt is a national problem. Controlling the debt is a challenge that is national as well, and what we need is a national commitment, if we are to meet this challenge and overcome this obstacle.

Borrowing money, having debts is not necessarily a bad thing. If I want to buy a house, I have to borrow. Borrowing is, in itself, dynamic. It is not necessarily risky as long as we are able to meet our monthly payments.

Ongoing debt, however, is a problem. If I am unable to meet my monthly payments on the house I just bought, I go into debt. If I borrow money to buy more goods, I accumulate more debt which I cannot repay and I end up with my back against the wall.

Being in debt is a problem. It has been Canada's problem for the last 25 years, and a problem for private individuals and businesses as well.

When your debts are too high and interest payments are high as well, then the situation becomes extremely difficult.

Public debt has existed since the beginning of Confederation, but it was not until the past 20 or 25 years that our debt took on astronomical proportions.

Since 1970–1971, the federal Government has spent annually more than it receives in revenue. This takes us back to the monthly mortgage payments I am unable to meet on my house. Those missed payments become a debt.

Briefly, the Government has had an ongoing deficit since that time. In order to deal with these deficits, we and our successive predecessors had to borrow. The cumulative result of all this borrowing has become what is referred to as the national debt, which today totals $320 billion.

Imagine what this means in interest payments alone! Thirty-one cents of every dollar of revenue received by the Government is used to service the debt.

Last year, interest payments alone represented $1,300 per Canadian citizen. Men, women and even children were in debt. This means average of $5,000 per family or $400 per individual, per month, the equivalent of a very substantial proportion of the rent or mortgage payments we all have to pay. This cannot go on. We are now with our backs against the wall. But in order to reduce the debt to a manageable level, we have to reduce the annual deficit. That is exactly what we have done since 1984.

• (1700)

At that time, in 1984, the deficit was $38.3 billion. Just for the fiscal year ending in March 1989, provisional data show the deficit was $28.7 billion, which is $200 million less than forecast in the April budget projections. So we have reduced the deficit by some $9.5 billion from the 1984 level. That means that every year, we have reduced our expenditures by $10 billion, maybe not to spend on the extra services we would like, because there is always the total debt to consider, but we have already reduced the deficit, which stood at $38 billion, by $10 billion.

This deficit reduction has thus slowed the growth of the public debt. In the last fiscal year, for the first time in 15 years—yes, fifteen years—the debt increased by less than 10 per cent. That is a good performance, compared to the peak of 24 per cent growth in 1984.

But our objective is to reduce our borrowing requirements to zero by 1993–94, and that is a major challenge. It means wiping out the whole $28 billion deficit we still have. Using the same accounting methods as the United States and Great Britain, we would then have what is called a balanced budget.

Our overall success with deficit reduction since 1984 is due to tighter control on all expenses in all areas. First, we cut public expenditures. Second, we overhauled the whole tax system. Finally, we made structural changes to help the economy function more harmoniously and productively, without too much government interference.

Expenditure restraint, Mr. Speaker, was and is a major part of our debt control program. I heard people say, not only today but for several weeks, that if the government reduced its expenditures, they would not be so unhappy about paying taxes. Well and good. Everyone is for cutting expenditures instead of raising taxes. But in fact, that is just what we have done, restrict and decrease government expenditures, not just a little, but a lot.

Let's take a closer look. Consider what has happened. We made cuts in every area of public spending. A lot of people say: Make cuts in the public service. Cut property. Cut buildings. Don't forget we reduced grants to businesses, like incentives for the petroleum industry. We also cut funding for Crown corporations, including The Canadian Broadcasting Corporation and Canada Post. We did that. We also reduced spending on defence and foreign aid. A lot of people are criticizing us for this. So where should we cut? We had to do something. We also made changes in our programs for income transfers to individuals. People on high incomes now have to return part of their old age security pension and family allowance. The list of cutbacks does not end there, and it will continue to grow. In fact, many of these decisions were extremely difficult to make. But they were necessary, and we made those decisions. In fact, it is all part of a government's responsibility to manage the well-being of the entire community. Of course, this requires sacrifices on the part of certain sectors of the population, but this Government has shown in the past four years that it is able to act responsibly.

Spending cutbacks have been very visible in government operations. Last year, spending on government operations was less than it was when we took power. In four years have we cut government spending to a level even lower than it was four years ago. What a performance!

We managed to do so by imposing severe budgetary constraints on the departments. We sold surplus public property. We cut the Public Service by 12,000 person-years. There again, people are saying: Cut, cut! However, we cannot keep on cutting. We must maintain our services and the people who manage them. Nevertheless, we managed to cut 12,000 person-years. We spent $1.7 billion on government operations last year 10 per cent less compared with 1984–85. Many businesses would be delighted with those results. And we are determined to continue to identify and deal with any instances of taxpayers' money being wasted.

We have been able to keep program spending increases down to an average of only 3.5 per cent annually, since we came to power. This increase is less than the inflation rate for the same period. Last year—an election year—we kept increases in program spending down to 3.1 per cent. In comparison, spending by provincial governments increased 6.5 per cent. Once again, what a performance!

These measures, Mr. Speaker, made it possible to reduce program spending from 19.5 per cent in 1984–85 to 16 per cent, in terms of last year's gross domestic product. Further reductions will be achieved this year and in the years to come. Without our budgetary restraint measures, program spending this year would have been $22 billion more than it is today.

When we look at the deficit, we must consider the spending aspect and, of course, taxes. Nobody likes taxes. Nobody wants to pay taxes. But even if we don't like taxes, we know we have to pay them, and that is how we should approach the proposed goods and services tax.

The first stage of tax reform was done with this in mind. The second stage is the one we are talking about today. Canadians must understand, Mr. Speaker, that government is a service that must be paid for. Of course, the Opposition tends to be alarmist in its statements, but

I think, Mr. Speaker, we should point to all the information that has been made available.

Mr. Rocheleau: Mr. Speaker, I have a question for my colleague the Hon. Member for Richmond—Wolfe (Mr. Côté). It is not a matter of being alarmist, Mr. Speaker, it is a matter of fact. I happen to know that we in Canada have certain taxation problems. Corrective steps must be taken. I would think everybody in the House is aware of that. But, Mr. Speaker, what has me seriously concerned about the TGS announced by the Conservative Government is that 75 per cent of Canadians have indicated in no uncertain terms that they are against this tax on goods and services, and what has me even more worried, Mr. Speaker, is that Quebec is one of the provinces which will be hardest hit by the 9 per cent tax on goods and services. So here is my question to the Member for Richmond—Wolfe.

You in the Conservative Government have always sought to reach a consensus with the Canadian provinces, so how is it that in this case, barely a few weeks ago at the federal-provincial conference held in Quebec City, all Canadian premiers unanimously spoke against the tax on goods and services? Yet the Canadian provincial premiers are your partners and you have to try to reach a consensus with the provinces concerning provincial or federal tax issues. So I would like to know what our colleague thinks. Since everybody is against it, can the Government not realize it is taking the wrong approach with respect to the kind of tax it wants to impose on Canadians?

• (1710)

Mr. Côté: I am amazed Mr. Speaker that the Hon. Member's assessment of the situation is that of a total opposition. If he was attending the hearings or reading the submissions, he would realize that everyone of those who have appeared up till now supports the principle of the GST, because it is a fair and equitable alternative to another tax, the manufacturers' sales tax, which indeed was unfair. What you should know is that all the witnesses are suggesting to the Government through the Committee, of course to perhaps propose alternative implementation mechanisms than those tabled in a working paper which indeed we are discussing.

When you also suggest that there is no unanimity among the provinces, I can indicate that if there is no unanimity between themselves, there is no lack of it as far as discussions with the Canadian Government are concerned. There is rather more unanimity between provinces, but as to that the discussions are continuing.

The third matter raised by the Hon. Member, Mr. Speaker, is that alarmist sentiment. And I must submit that the Hon. Member used the right word because the discussions that are now going on are alarmist indeed to the extent those fears are expressed by the Opposition. It is clear people oppose this if the surveys you are referring are to be believed. But as I said to the extent the discussion is proceeding in a cold, dispassionate manner, my appreciation is altogether different and witnesses appearing before the Committee have very supportive views indeed.

[*English*]

Hon. William Rompkey (Labrador): Mr. Speaker, I rise in this debate to talk about browbeating. I would like you to give me some latitude, Mr. Speaker, because I believe this is relative to the goods and services tax that the government plans to introduce.

I would like to read an editorial from the *Winnipeg Free Press*. It is entitled: "Browbeating Newfoundland".

> The Prime Minister last week sent one of his top underlings to tell a press briefing that Newfoundland's second thoughts could threaten not only the Meech Lake Accord but all federal-provincial agreements and, indeed, the very international order. If Newfoundland could change its mind about Meech Lake, he warned, no agreement between governments could stand. The federal-provincial agreement to develop the Hibernia oilfield off the shores of Newfoundland would be at risk; so could fisheries agreements with the United States.

This was an unprecedented move by a senior official of the Government of Canada warning Newfoundland, saying to Newfoundland: "You be careful or otherwise you're going to be cut off." I have never seen such shameless intimidation in the 17 years that I have been in the House of Commons.

I want to tell the members of the House of Commons the context for this intimidation. This is a province that has been warned to behave itself, a province which has already suffered immensely, immeasurably, at the hands of this government. It is a province, first of all, that has seen its fish stock, its very lifeblood, threatened. The crisis that we see in the east coast fishery now is unprecedented. And we began as a fishing province, Mr. Speaker. That is what we are all about. That is what our

people do. That is why they are there in the first place. Those people who say: "Why don't you do something else?" really don't understand the situation at home. Our people fish, and yet the fish stocks are in crisis as a result of the mismanagement of the Government of Canada. They are the government; they bear the responsibility.

In the midst of this crisis on our very doorsteps, at the heart of our very livelihood, the Government of Canada says: "At this time, Newfoundland, Labrador, we intend to change the unemployment insurance system in this country" which is the safety net that fishermen and plant workers have used as an income support program since the days of Jack Pickersgill.

At the time the fishery, the main industry, is in crisis, the Government of Canada says: "We're increasing your premiums. We're withdrawing from the unemployment insurance plan. We're cutting back on the number of weeks of benefit you can draw. That's what we're going to do for you in a time of crisis." There is no compensation plan, as was provided for the farmers of Canada. There is no plan for managing the stocks. They are cutting back on the safety net on the unemployment insurance plan which is the safety net for plant workers in Newfoundland. That is number two.

The third thing the Government of Canada did was to short change the east coast in terms of regional development. I want to read from *The Ottawa Citizen* of September 13. This is a study commissioned by the Atlantic Provinces Economic Council—not a Tory rag, not a Liberal organization, not an NDP organization. It is the Atlantic Provinces Economic Council. Do you know who did the study for them? Decima did the study for them, the polling agency of the Tory party. The polling agency of the Prime Minister did a survey for the Atlantic Provinces Economic Council and here is what they found:

> —federal industrial assistance to the Atlantic provinces has fallen to such an extent that in 1987 it was, per capita, below the national average.

Let me repeat that for the record. It is important. This is a Decima survey.

> —federal industrial assistance to the Atlantic provinces—

Remember regional development? Remember DREE? Remember co-operative federalism? Remember a kind Canada, a sharing nation? Remember reaching out to the underprivileged and the underdog and those who had less? Remember that? Here is what Decima says:

> —federal industrial assistance to the Atlantic provinces has fallen to such an extent that in 1987 it was, per capita, below the national average—
>
> The business-funded economic research council found that federal assistance to Atlantic Canada amounted to $1,045 per person.
>
> That compared to $229 per person in the rest of Canada and $302 per person for all of Canada.

I have not got time to dwell on that point, but it is point number three.

On top of that the government wants want to bring in a goods and services tax. It wants to put that on top of the tax that already exists. Do you know what the tax is in our province right now? It is at 12 per cent. It is the highest sales tax of any province in Canada, a province which has the lowest per capita income in Canada and the highest unemployment rate in Canada, and no alternatives to an industry that is threatened.

You want to think about the context of this, Mr. Speaker, to see what is happening. What does that mean? It means that the sales tax in our province, the composite sales tax is going to be something like 22 per cent or 23 per cent. That is bad enough, but I want to sketch in for you if I can, Mr. Speaker, the effect of this on the north. This does not just apply to Labrador, which is the northern part of our province, it applies to the north.

Here is a letter from the Labrador West Chamber of Commerce—now get this, my colleagues from Montreal— "While the cost of freight is a very real portion of our 22.5 per cent of higher-than-Montreal cost there are several other real factors. Remember, freight is going to be taxed. Not just the goods in northern Canada are going to be taxed, but freight is going to be taxed. It was not taxed under the manufacturers' tax. It was not taxed before, it is going to be taxed now.

In addition to freight, vehicles take a severe beating from the intensely cold weather. Heat is costly because of such winters. Wages are high because of higher living costs. One of those high living costs is medical. When surgery or dental work or special treatments forces us to

travel to St. John's or Montreal, only a small portion of the necessary travel expenses comes back in reduced personal taxes.

The letter states: "I experienced a dose of this when my wife had open-heart surgery in Montreal. It cost me thousands of dollars to stay with her until she was out of danger and then to visit her weekends until she could be flown back to Labrador City. My costs were in no way tax deductible. They were just part of the high cost of living in Labrador West."

• (1720)

Those things are going to be taxable from now on. What is going to happen to people who live in the extremities of this country, to marginal people who have no alternatives? What is going to happen to them? There are no answers for these people. There are no answers for the people in Canada's north. There are no answers for the Inuit who live in Inuvialuit or Thompson, Manitoba, or northern British Columbia, or Dawson City in the Yukon. What are the answers for these people? What is the plan of the Government of Canada to alleviate the position of those people? Does it understand what is going to happen in 1991 when the sales tax comes into effect?

I have tried to tell you, Mr. Speaker, and I have got two minutes left, of what is going to happen in our province. What is going to happen? Not just a browbeating that Mr. Specter threatened on the Government of Newfoundland if they did not play ball—not just a browbeating. They are not going to do anything to help our fishery, as far as I know. They have not told me what it is. They are going to cut out our unemployment. They are going to gut our unemployment insurance scheme. They are allowing regional development funds, according to Decima, to fall down. Now they are imposing a sales tax on us in the north, 20 per cent higher than Montreal, a composite sales tax of 24 per cent. That is not a browbeating. What they have said to Newfoundlanders is: "We are going to knock your head off. We are going to knock your block off". That is the attitude of the Government of Canada in this case.

I plead with the members of the House to understand that in regions of this country and in the northern part of this country there are vulnerable people. If the government goes ahead willy-nilly, no holds barred, no alternatives with this tax, we will be at risk. Not only will our livelihood be at risk, but our homes, communities and families will be at risk. I say to the Government of Canada at that time it will be accountable.

Mr. Reid: Mr. Speaker, it is a pleasure to have this opportunity twice in a day, and particularly with my hon. friend from Labrador. I only have five minutes, unfortunately. As he knows, I probably could go on forever. I will try to be brief and respond to the four main points that he makes.

To suggest that the fish stock problem in Canada is the responsibility of this government or, if I may suggest, any one government, shows that the the hon. member is not recognizing the complexity of the situation that led us here and, I fear, the complexity of the problem that we face and the solutions that we need to address them.

Make sure that the hon. member and all hon. members recognize, as has been made clear in the House since the spring of last year, that this government sees the fish problem in Atlantic Canada as a national economic issue. The Prime Minister has made it such in our dealings around the world and in this country with the appointment of a committee of senior ministers and senior public servants to do two or three things. First, what really is the problem? What really will be the ramifications of that problem? What are the legitimate options that we as a government, that we as a country have in dealing with that problem, which first and foremost is the welfare of people and of communities? That is why this government has made this a national economic issue.

With respect to changes in the unemployment insurance system, fishermen are not affected by unemployment insurance. The changes in unemployment insurance do not affect fishermen, the only self-employed people in this country who can avail themselves of unemployment insurance. It remains untouched. The premiums, in fact, may be higher than they are today, but they will be lower than they were last year.

Mr. Mifflin: What about the plant workers?

Mr. Reid: The plant workers, as is the case with fishermen, the government has repeatedly implemented emergency response programs which will respond to the needs, the short-term immediate needs of the plant

workers who have faced problems and who face problems.

Mr. Harvard: Do you believe that?

Mr. Reid: Absolutely, I believe that. The hon. member said that regional development has been short changed. In the last two years more money has been spent on regional development in Atlantic Canada than has been spent in the last 25 years. This year alone we are spending $500 million. In the next five years we will spend an average of $420 million, up from the previous five year average of $280 million, up from the previous five years of the government of the hon. crowd opposite of $185 million.

If that is denying Atlantic Canada the important regional development the support that it needs, then there is nothing we can ever do. Regional development is clearly a major part of an over-all economic government platform.

Very quickly, if I may, sales tax on freight is a business input. The 9 per cent is applied to the whole thing from start to finish. There is no freight on food that is taxable. The basic necessities are there. With medicine it is the same thing.

In Labrador West of all places, with the resource-based industry, with such heavy industrial capital base, this tax is of greater benefit than in most places. If we have constrained growth of $9 billion—

Mr. Deputy Speaker: I regret to interrupt the member but I must give some time to the member from Labrador to reply.

Mr. Rompkey: Mr. Speaker, I will convey the remarks of the hon. member to the Chamber of Commerce in Labrador West. Perhaps they might want him to speak and explain to them how the sales tax is going to be of benefit to them.

Even conceding to him, and, if we are going to be fair, I suppose we have to concede to him, the fish crisis just did not start last night or yesterday. Conceding that to him and conceding that maybe the responsibility for the crisis in the fish stocks has to be shared, it is not the simplest or most complex matter. One thing that is very simple is this. Any compensation package is clearly the responsibility of the present government, the treasury benches that sit opposite.

I heard a figure of $1 billion that was announced. Indeed, that government that sits across the way, those same treasury benches, were very generous to the farmers of western Canada. The Minister of Agriculture, who comes from that area, was very generous to the farmers of western Canada. We agree that there is a crisis in the fishery and that the stocks are threatened. He says the responsibility for that is shared. Let us concede that he is right. Would he also agree that the responsibility for compensation is clearly only at the door of the present Government of Canada? Would he also agree that there has not been, so far, one cent of the $2 billion forthcoming even though people are in dire straits in our province at the present time?

Mrs. Barbara Sparrow (Calgary Southwest): Thank you, Mr. Speaker. I rise today to participate in this debate and to talk more about regional funding as my colleague from St. John's has just mentioned and, specifically, how over the past two years this government has done more for regional assistance than any other government. I would also like to talk about western diversification and what we are doing in Atlantic Canada under ACOA as well as FEDNOR with the head office in Sault Ste. Marie.

On August 4, 1987, the government announced a major new initiative to bring the west more fully into the mainstream of national economic development, ready to respond to the changing global economic realities. Much has been done in the two years to achieve that aim.

Despite the present period of fiscal restraint, the national challenge has been to reduce the federal deficit. We are working to continue with even more energy-wise ideas and more commitments into our regional areas to make sure that they receive not just the same amount of funding as last year but, indeed, increased funding.

Western diversification has been increasing its spending. In 1987-1988 our cash outlay was $52 million. In 1988-1989 this increased to $145 million. For the 1989-90 fiscal year our Main Estimates show $287 million. Compared to actual expenditures last year, the Main Estimates tabled in 1989 provide for a $142 million increase. That is a $142 million increase for western diversification.

• (1730)

Funding expectations have been very high, and in a period of fiscal restraint, not all expectations can be met, nor should all of them be met. But the government remains highly committed, as these increases for expenditures show, to major regional development, especially efforts in the west and in our eastern regions in Atlantic Canada.

The government established the Department of Western Economic Diversification in response to special needs of western Canadians. This government recognized that the economic challenges of each region of this country differ and that a new and innovative way of dealing with economic development was needed. Western Diversification and ACOA reflect this new approach.

To ensure success Western Diversification's mandate was kept simple with three main objectives: First, to provide responsible leadership for economic development in the west; second, to undertake a strong advocacy role in order to represent western Canadian views in decision–making process here in Canada; and, third, to use widely accepted business principles in establishing a program in support of diversification. The act was passed and proclaimed on June 25, 1988.

WD has taken on a new task and its officials keep plugged in to interdepartmental policy processes here. They keep plugged in to the day–to–day processes of the government in order to ensure that the interests of western Canadians are fully considered here in Ottawa and are listened to very clearly in our offices across the west.

Western interests are also being pursued with the cabinet in a number of key areas. The main one I want to talk about is the procurement and development of national resource policies.

The Western Procurement Initiative, WPI, which was announced in July, 1988, was a specific move for western Canada. First, increasing the level of high value added. Second, discretionary procurement funding to be sourced in the west by an increment of $600 million over four years has been set aside. Third, making best efforts to designate significant portions of major Crown projects for sourcing in the west, and only in the west. Fourth, putting the full weight of the Western Diversification fund behind efforts to pre–position western suppliers so that they may be better prepared to compete for public sector contracts. Fourth, working with provincial governments to ensure an effective network is being put behind a supplier and in the pre–positioning of suppliers to bid on government procurement contracts.

Presently, a procurement memorandum of understanding is being drawn up with the Departments of National Defence, Supply and Services, Industry, Science and Technology, and the Atlantic Canada Opportunities Agency.

Western Diversification works with other departments. For example, it works and shares with Agriculture Canada on biotechnology and in soil conservation; with Energy, Mines and Resources on clean, low sulphur coal.

To be eligible for WD assistance, projects have to relate to new products, new markets, new technologies, increases in productivity or import replacements. Western diversification supports both individual commercial projects and systemic projects. We do not take an equity position at all. If a decision is made to invest, WD normally does through a repayable contribution. If the project is successful, the government will be repaid. If it fails, we share in the losses. There are no application forms.

We encourage entrepreneurs to come into the department with a two–page summary outlining their idea so we can sit down and discuss it before any moneys are expended with long term work projects.

Nearly 1,200 projects have been approved to date; 85 per cent of them are small businesses. We recognize and know the importance of small business in the western part of Canada. The department does not provide assistance for modernization, nor does it for expansion. We are looking for unique ideas for diversification. In the 25–month period that western diversification has been in operation there have been 6,800 projects submitted, 1,158 approved for funding, 4,006 rejected and we have 1,718 in process.

I would just like to mention a couple of small projects from my province. A small Alberta company received a $10,000 contribution toward the cost of developing prototypes for new products for the physically handicapped. Pro DentLaboratory of Calgary received a repayable contribution of $216,648. The first advanced industrial materials initiative in western Canada was launched in partnership with the Government of Canada, the Gov-

ernment of Alberta and Sheritt Gordon Limited. This is great initiative. It shows that we are working together.

This work is not all done in isolation in the west. Western diversification works extremely closely with other federal departments and agencies. We rely on it to assist us on complex, analytical or political issues.

Fundamental problems of the west cannot be resolved quickly or simply through the expenditure of government funds. Financial assistance can be effective if used strategically to help get new initiatives off the ground and to create new opportunities, in particular for the western economy.

The Budget shows the government's strong commitment to regional economic development in the coming years. Over the next five years, we expect to spend a total of $1.8 billion on regional development in western Canada. This is an 85 per cent increase relative to the $980 million spent on western regional development over the last five years. It is interesting. There is $242 million in new funding for a new federal–provincial agreement in western Canada as well.

I also want to talk a little bit about federal regional development in Atlantic Canada. To date, federal spending on regional development has been through action programs as well as through co–operative programs. During the period of 1979–84, expenditures were $185 million. During the period 1984–89, expenditures in Atlantic Canada were $282 million and during the period 1989–94, the expenditure averages are forecast at $425 million.

My colleague from St. John's East said so very clearly that Atlantic Canada has strong opportunities and strong regional support, the greatest since World War II. Take a look at its unemployment rate. As my colleague said it has fallen in P.E.I., it has fallen in Nova Scotia and it has fallen in New Brunswick and in Newfoundland since we took office.

I can assure hon. members that this government supports the Atlantic Canada Opportunity Agency. We stand behind that agency. We like what it is doing. We like what FEDNOR is doing for northern Ontario and we like what western diversification is doing for western Canada.

It has been a pleasure to participate in this debate, Mr. Speaker. I want to assure you and our colleagues on the other side of the House that there is no neglect to the regions of this country and we stand behind diversification in all the regions.

Mr. Boudria: Mr. Speaker, I listened very attentively to the discourse of our colleague across the way and I want to ask her a question.

The hon. member spoke of regional development and of other interesting issues. More specifically, I want to know whether she is in favour of the goods and services tax, first, as is presently proposed by the Minister of Finance. Second, I want to ask her about the following: The Minister of Finance said today that the goods and services tax was a component of the government's program to lower the deficit.

Given that the Minister of Finance said on June 18, 1987 that this tax would be revenue neutral, I wonder whether my colleague can tell me how a revenue neutral tax can possibly reduce the deficit.

Mrs. Sparrow: Mr. Speaker, I was just opening the technical book on the goods and services tax. I do believe my colleague's first question had to do with whether I was in favour of the proposed goods and services tax.

• (1740)

I guess you have to understand where we are coming from and maybe it takes time to explain that what we have in place, the federal sales tax, or the manufacturing sales tax, was initiated in 1924 when 85 per cent of the employment was in the manufacturing industries here in Canada and actually less than 10 per cent, probably about 8.5 per cent employment was in the service industry.

Life has changed as obviously we have evolved over the last six decades and we are now in an era where over 70 per cent or 75 per cent of the people in Canada are employed in the service industry rather than what I would call the manufacturing industry or the resource industry. So that has changed completely.

In 1924 there was a tax applied on manufactured goods only, and that was applicable at that time. But today life has changed and we have a average 13.5 per cent tax applied to the manufacturing industry. This is not fair. This is why our Minister of Finance is moving to broaden the base and to bring in other industries and services so that we are all treated equally, and it is an equitable position. Yes, I am in favour of a goods and services tax,

but we have to have a package. If we want to have certain exemptions, basic foods, health care costs, certain dental care services, municipalities, universities, schools, hospitals, and certain legal fees exempted, and so they should be, then we need a 9 per cent tax.

The Minister of Finance must have a 5.5 per cent rate if he is to obtain $18.5 billion which is raised today from the old, archaic, obsolete tax. We have to have the $18.5 billion.

The Minister of Finance is going to implement a goods and services tax credit that will assist lower income Canadians. He is going to lower the rate of tax from 26 per cent to 25 per cent for middle income Canadians. This is stated in his technical papers. If he is to have this, and if he is to have the exemptions, it works out to the 9 per cent. Therefore, if you want to lower the rate, you have to broaden the base.

The second question my colleague asked was with regard to revenue neutral. Certainly, this has been discussed quite a bit recently and I do believe some months ago the minister did mention revenue neutral.

The tax that we have today which raises the $18.5 billion has 22,000 exceptions and has hundreds of people who avoid or get out of paying the tax. There are many manufacturing companies that during their process stage would do one value-added here, and then through a subsidiary they would pass off the value-added product into another company and therefore avoid the tax. This is happening. No one, not your government when you were in power, Sir, nor this government, knows exactly how many companies are either avoiding or getting out of paying the tax. We do not know how many people we are missing out there. Hopefully, if we are missing a lot it will perhaps gain us more revenue than what the Minister of Finance said. However, if you look at the technical papers, and at the diagrams which the Minister of Finance has put in them,he shows exactly what he needs to replace the $18.5 billion, what he needs to have the goods and sales tax credit for the lower income people, what he needs to have in order to have the rate drop from 26 per cent to 25 per cent for the middle income people, and what he needs, which is the $.2 billion, for the administrative costs.

Therefore, it probably will be revenue neutral, but if we do gain more people in the system who are avoiding it I guarantee that everything over and above is going to deficit reduction.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, it is an honour to rise in the House today to speak to this opposition motion that condemns this government for its mismanagement of the Canadian economy. If anything has been shown in this debate, the last few remarks show frankly what Canadians are going to get from the government with this tax. If any government has mismanaged the economy of this country in the last five years it has to be the Conservative government opposite.

I have some information from Statistics Canada which clearly shows that the deficit has nearly doubled since the Conservatives have been in office. That is a shame from a government that preaches restraint and preaches about running a fiscally responsible government. We know that that is not what it is doing, and we have been pointing that out in the House since we have come back after the summer break.

This government is a three-letter government. We have had the FTA, we have had the GST, we have VIA now, and now we have TAX from the Tories. That stands for tax, and what every average Canadian in this country is getting from the Conservatives right now is a Tory tax.

In the next three years, in 1992, even after they have spent all that money trying to party and celebrate 1992, the Tories are going to be RIP. That is what is going to happen to the Conservative party in three years when that election is called the next time around.

Let us take a look at just what they are doing with this tax. The other day my colleague, our party's finance critic, asked a question in the House of the finance minister. This government is spending—and I hope people at home are watching now—$7.6 million on advertising. To advertise the GST it is going to be spending $7.6 million. That is not revenue neutral.

Let us take a look at what that means to people who are at home in their kitchens now, having a coffee, perhaps watching this or perhaps watching something else, or reading about this debate. This government is spending $21,000 a day, $875 an hour of our money, of Canadian taxpayers' money, to advertise this tax which is not yet law in this country. The government has had the gall to publish and spend money on advertisements when

Parliament has yet to approve this tax. I read *Hansard* when the members opposite were in opposition and the comments they made about responsible government. Well it is hogwash, and you know that, Mr. Speaker.

Let us take a look at some of the comments that members have made and some of the comments that are in the motion today. They continue to pursue a high interest rate policy. I asked some members and some constituents about this. They said: "Let us not get into detailed questions on this. There is one answer that I have to know: Does it cost me more to borrow money to buy or build a house?" Under this government the answer is yes. That is all we need to know. Under the GST we have heard evidence already that it is going to cost a great deal more.

Let us take a look at the question in terms of threatening some of our primary resource industries. We have been debating the forestry bill this week. We will be back at it again tomorrow. There is a 15 per cent softwood lumber tariff. This government sold out Canadian forestry when it signed that deal. The Conservatives have allowed American interests to tell us how to run our forests. They have no faith in our industry and that is a shame as well.

Let us take a look at some of the questions that we have been asking about tax policy, the kind of information that this government does or does not have. As you would know, Mr. Speaker, people who live in our northern or remote areas of this country depend a great deal more on the telephone and other services.

I have been approached by constituents in the Burns Lake area of my riding who ask what is happening with that tax on our long distance calls? How much is the government collecting? What is the government doing with it? So I put a question on the Order Paper, and, yes, indeed, there is an excise tax imposed on long distance telephone calls. When filing monthly tax returns, the companies do not segregate the amount of tax applicable to long distance calls. I think they should check their computers. It is very clear on your phone bill just how much federal tax you are paying on long distance calls. The minister should give the CRTC a quick call and let B.C. Tel know that if they can do it on my telephone bill here, certainly they can tell the Government of Canada how much tax they are paying on this ridiculous tax that affects people in northern and remote communities, more than people in other communities in larger urban centres. We respect and understand that, Mr. Speaker. We do not ask for a lot. We just ask that it be fair. We are not getting fairness from this government.

• (1750)

Let us take a look at some other examples of regional disparities that this government is perpetuating. Let us take a look at some of the information released yesterday by the Canadian Labour Congress on statistics dealing with the Unemployment Insurance Commission. Conservatives did not do a lot in my riding in northern British Columbia for many years. We are having to do a bit of catch-up work in our riding to bring the kind of representation that I think it needs.

When you ask Tories, "Well, what did you do for this area?" they trot out Unemployment Insurance Commission statistics as examples of the wonderful things that they do for us. If you follow that to its logical conclusion, the higher the unemployment, the better the Tories think they are doing for us.

This information on statistics provided by the CSC in northern British Columbia shows that some 3,600 claimants will be losing their claim, or will no longer be eligible for UIC. That is going to come to about $24 million, taken out of the northern economy.

All I am suggesting to the Conservatives is that when you take credit for spending that kind of money on unemployment insurance payments, then you better take responsibility for any time that you take those funds out. That is going to mean a lot to the people of northern B.C. We will be discussing that in Prince George at an all-northern labour council meeting this coming Saturday because people are upset about this government. They are upset about their actions on VIA Rail and the GST, on forestry, and many other issues.

I want to wrap up a bit on some of the comments made by some members opposite about forest agreements, particularly Western Diversification. The members opposite are running around extolling the virtues of Western Diversification. Fair enough. We are on record in terms of supporting the forest resource agreements that flow out of that Western Diversification Fund. It is shocking when you look at the evidence from the minister himself. No specific date has been set for

commencing negotiations on new western forestry initiatives.

In this House, members are honourable and they tell the truth to this House. What we need from this government is the truth about what it is doing, what it is going to be doing to Canadians on the GST, and what it is going to be doing to Canadians on UIC. I suggest to you, Mr. Speaker, that our statistics have shown that the Conservative party is going to cost Canadians an additional $800 to $1,000 a year. My concluding remarks on this is that when the Tory canvasser comes calling during the next election, you should ask for your money back.

Mr. Deputy Speaker: On questions and comments, the hon. member for Champlain.

[*Translation*]

Mr. Champagne (Champlain): Mr. Speaker, I followed with the utmost attention the comments made by my NDP friend from British Columbia, and I found passing strange his reference to the Canadian Government having let forestry down over these last few years, because looking at our record since we came to office in 1984, to my knowledge we appointed a Minister of State (Forestry). As we know, the previous Liberal government completely ignored that industry which, may I point out is among our major industries. It was moved from one department to the other Agriculture, Environment, etc.

As far as we are concerned, Mr. Speaker, we had a commitment in 1984 when we came to office. It is a fact the Prime Minister promised in 1984 to put greater emphasis at the Department of Forestry level by appointing a Minister of State (Forestry). And so we did. Moreover, Mr. Speaker, I would remind my New Democratic friend from British Columbia, a province that is foremost in the forestry area, that we increased our funding silviculture in this area by more than 300 per cent. This is concrete proof, Mr.Speaker.

I would also like to remind him that we have signed federal–provincial agreements with all 10 Canadian provinces including British Columbia. That represents over $1 billion in joint investments with the provinces, almost $662 million of which comes from the federal government's coffers.

Let's take British Columbia as an example, Mr. Speaker, since my colleague opposite seems to forget that the federal governement has done important things in that province. The British Columbia agreement, with that of Quebec, is among the largest: $300 million over five years equally divided between the federal and provincial governments. That is a lot more than what the Trudeau government did.

We have given Canadian forestry all the importance it deserves, mainly in exporting provinces such as British Columbia.

Mr. Speaker, if we look closely at the Canada–British Columbia Forest Resource Development Agreement, we see that, since 1985, we have invested nearly $39 million in the forestry sector in that province, including $9.8 million for forest research and $27 million for research funded under the Forest Resource Development Agreement between 1985 and 1990.

I would also like to remind my NDP colleague that the Canadian Government, that the Progressive Conservative Government is the Government which established the Canadian Council of Forest Ministers in 1985, and it was also this Government which finalized a national forest strategy in 1987 and that all provincial ministers unanimously agreed with the federal Government to say that indeed the forest sector is important and that indeed all together we must emphasize, develop and concentrate on this issue and set this sector of economic activity in its proper perspective.

Mr. Speaker, we are talking about more than 800,000 jobs in Canada. Quite sincerely I want to say to my colleague that if we look at the performance of the Progressive Conservative Government in the forest sector since 1984 we realize that we have done a top–notch job, Mr. Speaker, because it has met the aspirations of each province and the aspirations of a sector which was badly neglected by the Liberals. Mr. Speaker, this is a sector for which we will certainly do more in the future because we will have a full–fledged forest ministry.

[*English*]

Mr. Gardiner: Mr. Speaker, in the two minutes I have left to respond to the Parliamentary Secretary's comments, I will say that we are in agreement with regard to his view on the abuse of forestry by the Liberals when they were in office. In our discussion on Bill C–29, evidence was already given to the House about the current leader of the Liberal Party who came to my home town and spoke against a full department of

forests. We are glad the Liberals have changed their minds on this.

I think a lot of the Parliamentary Secretary's strong support of a renewed forest agreement in B.C. I would be pleased to send him a petition that British Columbians are signing now to get him to endorse that petition and to join with me and members of my party to support the renewed forest agreement between B.C. and Canada. I look forward to his support of that agreement with funding that will give us the adequate kind of reforestation that we need.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

THE ENVIRONMENT—VIA RAIL CUT-BACKS—REQUEST FOR IMPACT STUDY/GOVERNMENT POSITION.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I rise today to pursue a question that I asked of the Prime Minister before the summer break actually but a question which is still very current. In fact, I had the opportunity to ask a question about the same thing today, namely, the proposed cuts to VIA Rail passenger rail service in Canada and, in particular, the way in which the environmental dimension of this decision has been ignored by the government.

• (1800)

On the same day that I asked the question in June, the Member for Thunder Bay—Atikokan asked the Prime Minister whether or not an environmental assessment had been done of the proposal to cut back severely on passenger rail service in Canada. The Prime Minister rose in his place and said that it was a budgetary decision and that budgetary decisions are not normally subjected to environmental assessment, thus giving the lie to all that has been said in the last many months since the Brundtland Commission report came out about the extent to which this government was taking seriously the recommendations of that commission, that all major economic decisions should be assessed for their environmental impact. Surely a decision to cut a couple of hundred million dollars from the annual subsidy to VIA Rail, and knowing that the consequence would be a significant reduction in passenger rail service, qualifies as a major economic decision.

All we are saying to the government is that if you want to be true to your own rhetoric, if you want to be true to your own commitments, if you want to demonstrate that you really have entered into this new way of thinking about the economy and this new way of thinking about the relationship between economic and environmental matter, then here is the perfect opportunity. Here is the perfect opportunity to say that the world has changed, our way of thinking about the economy has changed and our way of thinking about federal expenditures has changed and before we make any decisions with respect to VIA Rail, this time and for the first time, we will take into account the environmental externalities of passenger rail service, those things which are normally not accounted for in the regular way we do our bookkeeping *vis-à-vis* passenger rail service.

We have made that kind of argument before just on the subsidy level. All the subsidies to passenger rail, or for that matter rail period, are all up front, they are all in the railway's books. But the subsidies to airports, to highways, to automobile use and to buses are all hidden subsidies that are kept in a different set of books. That is one argument.

An even further argument is that there is a whole other set of books with respect to the priority of one way of transporting people over another. That has to do with the environment and it has to do with safety. We know that in many parts of Canada the highways are already too crowded. We know that in some parts it is due to deregulation and the increase of truck traffic over rail traffic. We know that there is still a tremendous rate of death on the highways as a result of this overcrowding but also as a result of a way of life centred around the automobile.

In terms of deaths caused by various modes of transportation, I remember the derailment in Hinton. We have a Hinton a week on the highways and yet no one seems to take that into account. That is one thing that should be taken into account. We ought not to make that situation worse, yet that is what the government proposes to do.

Second, with respect to the environment, the government and its spokesmen, the Prime Minister and others, go all around the globe addressing problems. We have to reduce our use of hydrocarbons, we have to stem the greenhouse effect. We have to deal with the question of low-level ozone which has to do with exhaust emissions, not high level ozone and the depletion thereof but low level ozone at ground level. There are all these increasing global environmental problems that are related to over-use of the automobile. It is as simple as that.

Yet what do we have? Instead of a government that is really trying to address that, that is trying to make some of the difficult decisions, we have the Minister of Transport get up today and say that this is costing a lot of money. Well, it will not only cost money, it will cost us our survival as a human race if we do not start to make these kinds of decisions differently.

• (1805)

The Canadian people have said in a variety of ways, not just through the polls, but through the support that they have given to people who are concerned about the environment that they are willing to support policies, even expensive policies, if those policies tend toward an environmentally sustainable future. People are willing to pay for that. They are not willing to pay for the GST and I do not blame them. I would venture to guess they would be willing to pay some form of even higher taxes if they thought that they were going to be directed toward a transportation system that did not pollute or toward other environmentally sound policies.

I think the government is really missing an opportunity to show leadership here. The minister says only 3 per cent use passenger rail service. The minister cannot possibly be that stupid. I challenge the minister to try to get a seat on many of the trains that he proposes to cut.

I had an opportunity to travel on the train a couple of times this summer and I was on a train on which I could not get a seat. Yet the Minister has the nerve to say that people are not using the trains. Well, there are people who are not using the trains because they cannot get a spot on the trains, the trains are so full.

If you want to get a sleeper from Winnipeg to Vancouver next summer, you had better book now. It might not do you any good now, thanks to the proposal of the government, but people are having to book way ahead of time. Why? Because the trains are getting shorter and shorter. Why are the trains getting shorter and shorter? Because there is less and less equipment. Why is there less and less equipment? Because there is no investment. Why is there no investment? Because the Conservatives do not keep their promises.

There is a wonderful opportunity lost for the environment, for Canada and even for this government to show just once it was not kidding western Canadians when it paraded itself around western Canada saying that it would be the great saviour of VIA Rail. It lied, and that is the most despicable element of this, more than anything else.

Mr. Ross Belsher (Parliamentary Secretary to Minister of Transport): Mr. Speaker, there were times, while the member was speaking, when I was wondering whether he was talking about the same question as the one he had asked a few months back in this House, but then he finally got around to the environment.

It is a misconception in Canada that trains are the most efficient mode of passenger transportation. Energy efficiency depends to a large extent on passenger levels. VIA, with its generally low occupancy rates is not nearly as energy efficient as is often assumed.

In 1980, a study on energy consumption concluded that buses, not trains, were the most energy efficient mode of transport in Canada based on energy consumed per passenger mile. Eighty-four per cent of all intercity travel is by car, 6 per cent is by bus, and only 3 per cent is done by train.

Emissions from automobiles and buses have dropped by 75 per cent since the early 1970s. In an effort to further reduce these emissions, the Ministers of the Environment and of Transport Canada recently announced a joint action plan to put in place within five years the most stringent regulations that technology will allow to control emissions from internal combustion engines that burn fossil fuels.

This tough new controls package could further reduce by up to 30 per cent emissions of nitrogen oxides and volatile organic compounds which contribute to smog and to acid rain. It could also cap carbon dioxide

emissions which cause global warming and will reduce toxics produced by the use of motor fuels.

Federal assessments of environmental and health benefits, associated economic impacts and technological feasibility will be completed within 24 months. Regulatory proposals will begin to be published within 36 months and regulations could become effective within 48 months. Standards established in 1987 and 1988 under the Motor Vehicle Safety Act will effectively lower air pollution from on-road vehicles over the next decade.

Given the above and the small amount of intercity rail travel, any shift in rail passengers to buses or the automobile should therefore have a minimal environmental impact.

• (1810)

DAIRY INDUSTRY

Mr. Maurice Foster (Algoma): Mr. Speaker, on September 26 I put a question to the Minister of Agriculture asking him why the government misled the Canadian dairy industry in the spring of 1988 when the Minister of Agriculture told Canadian dairy farmers that they would preserve the underpinnings of the supply management and marketing board system in this country by simply moving ice cream and yogurt and other dairy products from the tariff list to the import control list, that tariffs were coming off because of the free trade deal.

The minister said very clearly that he would preserve the underpinning of the supply management and marketing board system by simply putting these products over so that there will not be a flood of cheap surplus processed dairy products coming in from the United States. He led Canadian dairy farmers to believe that there was some arrangement with the Americans under the free trade deal, that there would not be this challenge, that there would not be a flood of these dairy commodities coming into Canada.

It was a given that under the 1955 waiver the Americans have from GATT their market was closed to our dairy producers for these commodities going into the United States. But clearly the minister, on many occasions in the House of Commons and otherwise, led Canadian farmers to believe that the import controls on these items would be protected the underpinning for the supply management system.

On June 13, 1988, in the House of Commons, in responding to a question from the Leader of the Opposition, he said:

> On March 16 we gave an indication that would reserve the underpinnings necessary for the day to day operation of supply management.
>
> The commitment was that we would move the items about which the Hon. Member might be concerned, which are now on the tariff list, to the import control list.

It is very clear. It was very believable at that time. When they did put these on the import control list and quota for the Americans on January 1, 1989, the Americans immediately challenged the GATT. About two weeks ago their challenge was sustained by a GATT panel. The final decision has not been made yet but we know where it will likely end up; the Americans will have full access to our market. If that is not a complete misleading of Canadian dairy farmers I don't know what could be more clear.

I guess the most disconcerting part of it is that we have the Minister of Agriculture, the new minister who happens to be the Deputy Prime Minister as well, trying to rewrite history. He is saying this is all just a problem with the GATT, that it was not a problem with the free trade deal. Well, what was the former minister, Mr. Wise, talking about when he made a commitment, with an election coming up, that putting these items on the import control list would preserve them.

Now we have the Minister of Agriculture saying this is not a free trade problem, this is a GATT problem. What poppycock. Here you have two countries in a free trade zone, one with a total ban on all our products going into the United States, and when the Canadian Government put these items on the import control list immediately the Americans challenged it. Clearly there was no understanding, no arrangement under the free trade deal. The former minister totally misled the dairy farmers. The new minister is trying to rewrite history saying: "Oh well, there is no problem with the free trade". If there is no problem with the free trade deal, why is it that what the former minister promised to do is not working. It was challenged by the Americans at the GATT. That is right, it was challenged by the Americans. If you had a deal with the Americans under the free trade agreement, how come they challenged it at the GATT? Because you did not have a deal, that is the problem. We have got the worst possible precedent coming at the worst possible time because some time this

winter we are going to negotiate the new arrangements under Article 11 of the GATT as to how it will protect supply-management.

• (1815)

The Americans have a panel decision to open the market totally for ice cream and yogurt and a whole list of other dairy commodities. They can take that into those negotiations to destroy the whole supply-management system, which is what they have been trying to do for years so they would have total access to our markets. This has just put the whole dairy industry into complete torment as to whether or not supply-management systems for the feather and poultry industry can be maintained in this country. Clearly, we are the only country in the world that I know of that uses Article 11 of the GATT to use import controls to maintain the supply-management system. So the whole system is in serious jeopardy.

Farm quotas dropped in price by 50 per cent earlier this year with some banking institutions. The value of quotas is in jeopardy. The farm mortgages on supply-management farms are in jeopardy. The whole income support system and the whole livelihood of literally tens of thousands of farmers in this country are in jeopardy because of this action and because the government did not have in place a proper mechanism to control imports under the free trade deal with the United States.

Mr. Ross Belsher (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I want to assure the hon. member for Algoma that this government remains committed to supply-management as an important part of Canadian agriculture policy. The hon. member has suggested that the recent GATT panel ruling on Canadian import controls for ice cream and yogurt represents a failure on our part to protect Canadian supply-managed producers.

I would like to remind him that it was at the request of dairy producers that we added these products to the import control list under GATT Article 11 in January 1988. To quote the dairy farmers of Canada, they wrote in November 1987: "It is imperative that the Minister for International Trade take action, without further delay, to amend the import control list—to include those products for which coverage is currently not provided".

Article 11 is designed to allow countries to regulate imports in support of national supply management programs. Canada is a member of the GATT. We have to obey the rules, and that includes using the import control list.

The U.S., which is the largest exporter of ice cream and yogurt to Canada, complained that this action did not meet all the requirements of Article 11. The U.S. pursued this complaint under the GATT dispute settlement system. The GATT panel ruled that Canadian import measures on these products were not fully consistent with our obligations under GATT.

Let us also be clear about something else. The ruling was limited to two specific products. The panel's findings have no direct implications for the chicken, turkey and egg sectors which also have supply-management systems in place. We firmly believe that our supply-management programs conform with the regulations under GATT.

With regard to the GATT panel ruling, we are working closely with the dairy industry to develop a response to the panel report. We do not intend to make any immediate changes to our dairy policy.

The GATT ruling illustrates just how important it is for us to clarify the definition and the use of Article 11 during the current round of multilateral trade talks in Geneva. The panel ruling is based on rules that were negotiated in 1947. Results of the current multilateral trade negotiations will determine the rules which will govern trade into the 21st century.

As the hon. member has pointed out, the U.S. does not allow our ice cream and yogurt access to its market, and he is right in calling it unfair. We agree that it is unfair. That is why we are actively pursuing international trade reform. We want to see fair and equitable trading rules that apply to everybody in the international marketplace.

The hon. member should keep in mind that the president of Dairy Farmers of Canada stated in a press release issued on September 22, 1989: "Following our consultation with the Minister of Agriculture and officials of External Affairs, we are confident that the Canadian Government will vigorously defend the interest of supply-management in dealing with this issue as well as within the current GATT negotiations".

Adjournment Debate

• (1820)

TRANSPORTATION—VIA RAIL SERVICES/GOVERNMENT POSITION.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I appreciate this opportunity during the adjournment debate to explain why I am dissatisfied with the government's answer to my question on VIA Rail in June of this year. I am as dissatisfied with the answers then as I am with the answers today and yesterday and the day before. Clearly this government has an extremely shortsighted view of Canada and its transportation system.

I would like to start my brief comments by quoting from a letter that was published in one of the Toronto papers. It was written by a Michael Coo of Toronto. It starts by saying:

> Transport Minister Benoit Bouchard, while expressing his horror at the cost of VIA Rail to the Canadian taxpayer, went on to give his vision of Canada's transportation future—one populated with private automobiles and airplanes. I have two comments.
>
> Bouchard says that $500 million is too much to spend (notice that the Conservatives never refer to this money as an investment) on a transportation service that is used by only 6 per cent of the Canadian travelling public. He claims that airlines, cars and bus companies all recover more of their costs than do the trains of VIA Rail. Our transport minister can only make this claim because some serious social costs are not factored into this deceptively simple equation.

He goes on to say:

> There's the cost to the Canadian taxpayer, for example, of the 6,000 people who die in traffic accidents each year; and the 60,000 others who are injured. Imagine the equation if these costs were included. And that is strictly economic. It does not cover the emotional trauma of the friends and relatives of the victims.

Let me deal with that for a moment. We have a number of modes of travel in this country. Rail is the safest method of moving people from place to place. It is the most efficient in terms of fossil fuels. It could be made more efficient by electrification of the lines which would also reduce the impact on the environment and increase the speed. While the most environmental friendly method of moving people and goods is marine transport, in terms of land transportation, rail is the most environment friendly.

The next most environmental friendly mode is air travel. It only creates four times the amount of pollution as trains do in Canada. These are Canadian figures done by the Department of Transport.

The transportation mode with the most negative impact on the environment is automobiles. They contribute 17 times more carbon dioxide to the atmosphere in Canada than all of rail travel, both passenger and freight.

When this writer talks about an investment, and he talks about it in the context of an investment in safety, we also have to talk about it in the context of the investment in the future of this country and this planet in terms of minimizing our abuse of the planet we live on. Rail travel is a key element. So when we talk about the cost to the taxpayer, it is cheaper for us to provide a subsidy for a rail passenger service than it is for us to spend billions upon billions of dollars to promote road travel through the construction of ever larger highways, with more ribbons of concrete and asphalt from coast to coast. We have to keep that in mind when we talk about the cost.

That is not to say that we have to accept what VIA is doing and I, for one, do not. VIA was saddled with a situation, in reality, that was designed to fail.

I am sure the hon. parliamentary secretary will agree with me when I say that the reason his government has the ability to do what it intends to do about VIA Rail is because of the lack of legislative framework and the lack of investment by the previous government.

• (1825)

The Minister of Transport talked today about the billion dollars that has been poured into VIA Rail over the last number of years. I agree with him, a lot of it has been wasted because we have been repairing junk. We have been trying to keep junk on the rails, as opposed to what this government promised it would do in 1984 when it got elected. It did part of it. It restored some of the routes that the Liberals had cut. Now the government is going to cut them again. It bought new locomotives. Unfortunately, the new locomotives have to be hitched on to old locomotives which can provide the heating and the power for the junk that is being hauled behind them. What the government did not do was to buy the new rolling stock.

The former Minister of Transport, the Hon. Don Mazankowski, worked with VIA. VIA worked with the Transconsortium. Bombardier and UTDC CanCar came up with a design and a price. The government said no, it was too expensive. Transconsortium came back to the government and said, "Okay, we understand you have money problems. We will finance this operation. We will finance the construction of new equipment for VIA Rail and lease it to you". What did the government do? It said

no. This is the privatization government. It had an offer that it should not have refused but it did.

I realize my time is very tight. Let me conclude by saying that my party is not going to stop until we convince the government that what it is doing about VIA Rail is wrong. It is wrong environmentally. It is wrong socially. It is wrong economically because the cost of shutting down VIA Rail will cost more than what is going to be saved by reducing the subsidy levels.

Mr. Ross Belsher (Parliamentary Secretary to Minister of Transport): Mr. Speaker, on May 3 of this year VIA Rail Canada was given new reference levels and was asked to submit to the government a new business plan which would respect new budget realities. This business plan was submitted, as requested, on June 30, 1989, and is currently under consideration. An announcement will be made in due course.

I would remind the hon. member opposite that Canadians are currently faced with a national debt which costs us $90 million a day. The subsidy paid to VIA Rail has increased steadily. It now exceeds $600 million yearly. Indeed, in 1988 alone this subsidy cost taxpayers $1.5 million a day, or $100 per passenger.

We simply can no longer afford this drain on the public purse, particularly since ridership has decreased by 20 per cent since 1981. In fact, rail passenger services currently retain only 3 per cent of the total Canadian intercity passenger traffic.

With 84 per cent of Canadians travelling by automobiles, and goodness knows Canadians have a love affair with the automobile, I believe that the message is loud and clear. We can no longer afford a service which is costing more and more and being used less and less.

[*Translation*]

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

The House adjourned at 6.28 p.m.

HOUSE OF COMMONS

Friday, September 29, 1989

The House met at 10 a.m.

Prayers

GOVERNEMENT ORDERS

[*Translation*]

DEPARTMENT OF FORESTRY

MEASURE TO ENACT

The House resumed from Tuesday, September 26, consideration of the motion of Mr. Mulroney that Bill C–29, an Act to establish the Department of Forestry, to amend the Forestry Development and Research Act and amend the Forestry Development and Research Act and to make related amendments to other Acts, be read the second time and referred to a ligislative committee.

Mr. Deputy Speaker: Debate. The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria).

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I welcome this opportunity today to take part in the debate on Bill C–29, an Act to establish the Department of Forestry. You may rest assured that I have no intention of voting against this Bill. It would be tantamount to voting against trees, or against nature, and I am not against nature any more than I am against motherhood or apple pie. I don't think you have any reason to worry about that. And I am sure my colleague opposite is delighted to see that I intend to support this Bill.

[*English*]

Canada needs Bill C–29 but, of course, it needs more than that bill. When I say that it needs Bill C–29, it needs it because the legislation will consolidate many government activities pertaining to forestry which are right now spread among a variety of different ministries. When I say that it needs more than Bill C–29, or it needs Bill C–29 and much more, I mean that the forestry minister will not have much power under this legislation, simply because he or she will have to obtain funding from other departments in order to embark on federal–provincial reforestation programs, in order to arrive at agreements between the federal government and the provinces, and also in order to actually get the funding to do his job as a minister.

I am going to touch on the federal–provincial agreements in a moment, but first I would like to talk about an experience in my own constituency.

[*Translation*]

Mr. Speaker, about 50 kilometres from Ottawa, in the beautiful riding of Glengarry—Prescott—Russell, there is a forest, the Larose Forest, which covers a hundred square kilometres and where 18 million trees have been planted, most of them by hand. All this was the work of a genius by the name Ferdinand Larose. In 1900, Mr. Larose, a resident of the area and agronomist for the counties of Prescott and Russell, had the brillant idea, Mr. Speaker, to start a reforestation project in what could be called the desert area of Bourget. This area southeast of Ottawa had become practically barren as a result of erosion and other factors.

Mr. Speaker, a tree planting program started in 1928. The program continues today, and Larose Forest is now the largest reforestation project in Ontario.

[*English*]

It bears repeating that near this city we have the largest man–made forest in Ontario, only some 50 kilometres from Parliament Hill. If you can imagine that visionary agronomer, Mr. Larose, who in 1928, particularly given his profession, was telling farmers to get off the land, to sell it to the government so it could be replanted with trees. Needless to say, there were probably some people in the community who wanted to chase that gentleman right out of town for coming up with a scheme like that.

• (1010)

Imagine what the people in the village, the merchants, and so on, were thinking, when farms that were previously occupied became vacant at the encouragement of this man Ferdinand Larose. It seems, in retrospect of course, that he was right. He had the bright idea of creating this forest in an area which was practically a desert.

I said moments ago that I would come back to this issue of reforestation and federal-provincial agreements. The reason I want to bring this to your attention is as follows: The Canada-Ontario Forest Resource Development Agreement, or COFRDA for short, has now expired. That agreement which was in place contributed to the tune of $150 million to reforestation programs in the province of Ontario. It was because of programs such as COFRDA and others in the past that the replanting of the Larose forest and probably many other similar projects were made possible.

As we are here discussing the creation of a new department of forestry—which I favour of course—I cannot help but condemn the government for the fact that forestry has suffered an 11.9 per cent cutback in 1989-1990. I am sure the Minister of Transport is terribly upset by this and that the cause of this, of course, is the budgetary cutbacks inflicted upon these departments by the Minister of Finance who is sitting almost immediately in front of me.

[*Translation*]

Mr. Speaker, forty-seven person-years were cut in this ministry, a reduction of 3.5 per cent. Today, we are talking about establishing a department of forestry but I think we should recall that, under the Tory Government, there has been no particular concern for our forests, and in fact there have been major cutbacks.

[*English*]

Mr. Speaker, I wanted to talk about COFRDA, the agreement which has expired and which I hope the Minister of Finance, who is listening attentively, will negotiate with his provincial counterpart and renew that federal-provincial agreement, COFRDA, with the province of Ontario.

Let me tell the Minister what this has created in our province. I invite him, by the way, to come and visit the Larose forest, 50 kilometers east of Ottawa. He can jump in his limousine and I will show him this forest. I will gladly do it this afternoon as a matter of fact, Mr. Speaker. But let me tell you of some of the benefits of this agreement.

Over the last five years in the province of Ontario COFRDA has accomplished the regeneration of 110,000 hectares of land; the tending of 59,000 acres; the site preparation of 113,000 acres; and the purchase of 165 million tree seedlings. Indeed, COFRDA has contributed tremendously toward the reforstation of our province.

Unfortunately, the time allocated to MPs to speak today is shorter than usual and I will have to conclude my remarks very soon. I will not be able to further state to the minister how important it is for him to contribute to this federal-provincial agreement in Ontario. I hope that I have gone some distance in convincing him, and I know that my colleagues will continue to do so over the next few minutes.

[*Translation*]

Mr. Speaker, in concluding, I would like to say that today in Larose Forest, the trees are about 100 feet high. Those beautiful trees, the white pine we see in our area, were planted thanks to people with vision. People like Ferdinand Larose, people who wanted to make a contribution and who knew it was important to preserve this forest and to replant it.

My message to the House and especially to the Minister of Finance is that the Government should stop these cuts in the forestry department and enter into an agreement as soon as possible with the province of Ontario and other provinces who also need them, so that we can keep up the good work done by Ferdinand Larose and other Canadian pioneers.

[*English*]

Mr. Deputy Speaker: On a point of order the Hon. Member for Glengarry—Prescott—Russell.

Mr. Boudria: I was under the impression this morning that we had an agreement whereby the 20 minute slots would be split in two and that two consecutive members of the same party would be recognized. That is why I cut my remarks to 10 minutes rather than 20 under the assumption that my colleague would be recognized. If the member is proceeding with questions and comments at the present time, I apologize for interrupting.

Mr. Deputy Speaker: We have had that type of agreement earlier this week. To my knowledge, I do not believe we have had it today. I will ask the chief government whip.

Mr. Hawkes: Mr. Speaker, I was not party to any discussions, but I was at a meeting this morning. My understanding was that we would follow the normal opposition day rotation but on a 10 minute speech with a five-minute question period. Rather than dividing the 20-minute period it would be 10, 10, 10 with a five minute question period. That seems to be agreeable to the house.

Mr. Boudria: I am quite agreeable to that. It is just that I do not believe it was said that this was questions and comments, therefore, I mistakenly assumed that the member for Champlain (Mr. Champagne) was in fact making a speech.

Mr. Deputy Speaker: The hon. member for Churchill on the same point of order.

Mr. Murphy: We actually want full debate on this issue. We do not want any shortening of the speeches.

Mr. Hawkes: Would the NDP have any objection to any other party in the house then taking the normal 20 minute rotation and dividing it between two people with 10 minutes each? They are insisting without unanimous consent we cannot change the rules of the house, but maybe we could have unanimous consent in the Chamber to take the 20 minute allocation to a spokesperson for a party and at the party's own arrangements divide it between two people, 10 minutes each with five minute questions. Is that agreeable? In that manner they could keep their 20 minute speeches for their individual members.

Mr. Murphy: We have no qualms with the other parties dividing their time whichever way they want as long as we keep our 20 minutes in the normal rotation and use it for full speeches.

Mr. Deputy Speaker: Am I correct in believing that today, contrary to the other days this week, and we can take the example of the Liberal Party, they will use the 20 minutes as they see fit, and at the end of 20 minutes, a 10 minute question and comment period. There will not be ten-five, ten-five. It will be 20 among two or three speakers. Very well.

Some Hon. Members: Agreed.

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, I would like to return to the issue at hand. I am very pleased to speak on this legislation before us. I say that because it has been long overdue. The Prime Minister (Mr. Mulroney) promised the Department of Forestry in the 1984 general election. We thought, on this side of the house, that he had forgotten, but luckily his memory came back.

• (1020)

Bill C-29 will, in part, restore faith in the forest industry that it has not been overlooked. The industry will be assured of a voice at the cabinet table. While this legislation creates a new department of forestry, there remain a few questions which we need to have addressed.

One of the main concerns with this piece of legislation is the lack of an adequate budget. The department of forestry saw its 1989-90 budget cut by 11.9 per cent. This does not seem fair as other natural resource programs received increases in their budgets.

It seems to me that the government is not committed to providing leadership in the development of one of Canada's most precious resource. The government needs to inject more funds into this new department if Canada is to become a leading nation in the area of reforestation.

At a time when Canada lags behind in reforestation, what does the government do? It cuts the forestry budget and slashes 47 person-years along with it. The forestry department will need increased funds and staff resources in order to catch up with other leading nations. The creation of a new forestry department must go hand in hand with adequate financial resources. Furthermore, the Minister of Forestry must be given total control over the future of his department. It will not work if he has to go to other departments and agencies for funding.

Canada's forestry industry makes a significant contribution to the Canadian economy. Canada has the second largest stock of softwood lumber in the world after the U.S.S.R. It is the third largest producer of softwood lumber products after the United States and the U.S.S.R. It is the largest exporter of lumber products: one third of its pulp exports, 63 per cent of its newsprint and nearly half of its lumber. These are significant statistics and we must look at what the government has done to this vital sector of the Canadian economy.

In 1986, after mounting pressure from the United States, the government decided to impose a 15 per cent export tax on all softwood lumber products. This measure has been a sore spot for the forest industry. In northern Ontario the 15 per cent export tax has had a devastating effect on the softwood lumber industry. It has also caused some concern to the 30 single industry towns that need this resource for employment.

In February of this year members of the northern Ontario Liberal caucus travelled extensively in order to hear firsthand from the lumber industry, labour, and municipal governments. The witnesses repeatedly told us that the 15 per cent export tax will continue to force closures and lay-offs. We were told that the expansion and modernization projects have had to be put on hold because of this situation.

There have been some major economic changes since the imposition of this export tax which warrant a review of the situation. The U.S. dollar has depreciated by more than 18 per cent. There has been an increase in Ontario stumpage and area charges. Canadian exports are lower than they were pre-1986 and the lumber industry is faced with depressed prices.

The task force was told by industry representatives that with the signing of the free trade agreement the softwood lumber export tax should not exist in the free trade environment. McKenzie Forest Products in Sioux Lookout, a very large industry and a large company in my riding, kept four trucks busy hauling finished softwood lumber products to the Minneapolis-St. Paul market just to the south of my riding. When the 15 per cent export tax was imposed, this market was lost. Now McKenzie Forest Products ships its lumber to southern Ontario.

The additional transportation charges have eroded profits it would have otherwise received had it been able to keep the U.S. market. The imposition of a further 9 per cent on transportation services under the goods and services tax will further erode potential profits. I suspect that we will see further sawmill closures and many more lay-offs as a result.

The government must demonstrate leadership in the area of reforestation and management of this resource. The forest is capable of providing employment for many future generations if the will of the government is such. To quote a representative from Canadian Pacific Forest Products in Dryden: "It was a political decision to initiate the 15 per cent countervailing duty, so it will take a political solution to remove it". For the small, rural and northern regional economies, it is imperative that this government support the softwood lumber industry by eliminating this export charge.

I read in the July 27 edition of *The Ottawa Citizen* that the Minister of Forestry stated that his department has prepared a proposal which would be sent to the Americans to end the export tax. The minister was quoted in the article as stating that he would present them with a proposition to test the ground before we send them a termination notice.

This was a welcome statement, but I find it kind of scary because we do not know what the Americans will say. We ask the Minister, will he succumb to U.S. pressure once again, or will he demonstrate leadership by telling the Americans that we cannot agree with this tax in the spirit of the free trade agreement? He, as Minister of Forestry, has a responsibility to Canada's forests and the industry.

A year ago this month a green ribbon review was held at the Great Lakes Forestry Centre in Sault Ste. Marie to look at the achievements and impacts of the Canada—Ontario Forest Resource Development Agreement. The review concluded that the agreement has had significant impacts on Ontario forests. There has been more forest management activity and employment because of it. The agreements have also ensured the viability of the forest industry, especially in northern Ontario where the economic survival of some 30 communities is directly dependent on the forest industry.

When the Province of Ontario signed the Forest Resource Development Agreement in 1984, it made a long-term commitment to managing a sustainable forest resource. The federal government's inaction is jeopardizing forest renewal programs in six provinces. It is undoing everything that has been achieved in the last five years if it persists in delaying the renewal of these agreements.

In 1987, the National Forest Sector Strategy, endorsed by the Canadian Council of Forest Ministers and Canada's First Ministers, urged this government to continue its spending commitments to forest resource development agreements with the provinces.

Maybe the government needs to be reminded of the forestry agreement achievements in Ontario over the past five years. As well as providing nearly one quarter of the funds for Ontario's regeneration program, the agreement helped to improve management practices on private woodlots and it has promoted integrated resource management for multiple use.

The agreement helped build some 300 kilometres of access roads which are vital to forest renewal operations. More important, the agreement funded forest management projects with 40 Ontario Indian bands. This has led to jobs for the aboriginal people. Ontario has a proud record of achievements as a result of the forestry agreement. Approximately 80 per cent of its forest management program is delivered by the private sector. Nurseries, tree planting, and road building are examples. There is no question that the Canada—Ontario agreement has played a key role in stimulating private sector involvement.

In a speech to the Ontario Forestry Association's annual meeting in February 1989, the then Natural Resources Minister for Ontario said, and I quote: "We cannot sustain this momentum without a new development agreement. Without it and without the continuity that a new agreement would provide, we jeopardize our future achievements and future gains. Without the federal contribution the amount of forest we regenerate each year simply will not be as high." By continuing to refuse to negotiate a new agreement the federal government will further damage its already tarnished reputation internationally.

The signing of a new Canada—Ontario Forest Resource Development agreement is vital to the economy of many small communities in my riding, many of which depend solely on the forest industry. In the Auditor General's report to Parliament, he urged that Canada's forest renewal efforts be strengthened with more funds and better management. He warned that Canada is not getting ahead in renewing its forests, despite sharp increases in provincial funding and co-operative cost sharing agreements. The provinces and the forestry industry need a long-term commitment from this government in the areas of forest regeneration and sustainable development. Canada's forests can continue to provide economic benefits and employment for generations to come, if they are properly managed. The Minister of Forestry must move quickly before Canadian forests suffer irreparable damage.

In order for the new Department of Forestry to achieve its goals in managing Canada's most precious natural resource, it must be provided with adequate funding and staff resources.

• (1030)

I urge the Minister of Forestry to talk to his colleagues and allow them to act responsibly on behalf of the people of Canada so that future generations of this country will have the kind of forests and forest regeneration that it needs.

[*Translation*]

Mr. Champagne (Champlain): Mr. Speaker, I would like to thank the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) for his unconditional support for the Forestry Bill. I also urge him to ask his colleagues, especially those who will sit on the legislative committee, to deal with this legislation very quickly so that it can be passed as soon as possible.

The Hon. Member for Glengarry—Prescott—Russell, Mr. Speaker, was concerned that the federal Government seemed to be forgetting about forests, at least according to him.

I would simply remind him that from 1984 until today, the federal Government—that is, the Progressive Conservative Government—has increased its budgets for silviculture by over 300 per cent. I think that is concrete action that should be pointed out, especially by our colleagues opposite.

I know that the Hon. Member for Glengarry—Prescott—Russell and his colleague boasted about the Canada–Ontario agreement. I must remind them, however, that this agreement was signed by the Progressive Conservative Government.

Also, the Hon. Member for Glengarry—Prescott—Russell is concerned about the effect the new Department will have. I would remind him that the new Department—that is, the one now represented by the Minister of State for Forestry (Mr. Oberle)—will no longer be a Department of State; therefore, it will report directly to the Prime Minister.

Moreover, the Forestry Bill is intended first and foremost to update the regulations on wood under which Forestry Canada manages forest areas together with other federal Departments.

The new Bill will also make it possible to extend the application of these regulations beyond experimental forest areas. It will enable the Minister and the Department—and I think it is important for my colleagues opposite to understand this—to conclude agreements with individuals, organizations and governments. I refer to the famous forestry development agreements with each province. The Minister will be authorized to do so, as provided in clause 9 of the Bill.

It also provides for the tabling in the House of an annual report on the status of forestry resources and their contribution to the Canadian economy.

Also, Mr. Speaker, what is new with the Department is that under its mandate, it will oversee the development and coordination of forestry policies and programs nationally. It will also carry out and encourage forestry research and development. We know how important research and development are for the future and survival of Canadian forestry, both for local and for export markets.

So in summarizing these facts, I think in all sincerity and honesty, beyond partisanship, Mr. Speaker, that our Liberal and New Democratic colleagues will make it their duty to act diligently, first, to complete second reading and, second, to move quickly and smoothly in the legislative committee to have this Bill passed as soon as possible. For as both Liberals and New Democrats have said so well, we need this legiation as soon as possible so that the Forestry Department can have a free hand in its negotiations with the federal Departments concerned with forestry and with the provinces and the whole industry, for the sake of the harmonious development of forestry in Canada.

[*English*]

Mr. Boudria: Mr. Speaker, I am not sure there was a question. Perhaps it was just a comment.

[*Translation*]

I should like to respond to some of the points raised by my colleague opposite.

First, concerning co–operation on the part of the Official Opposition to pass this measure at the earliest opportunity, the fact that we have readily agreed to reduce our speeches by half so as to speed up the process is, I would suggest, a sure sign of the good faith of the Official Opposition. What we want of course is to give Members who have significant observations to make to do just that without unduly delaying the Bill. This is why we too have shortened our speeches.

[*English*]

In terms of the federal government commitment to forestry, the member has stated that there were federal–provincial agreements and that the minister was empowered to continue working at them. But I want to repeat what I said before. Since last summer, there is no such thing as a federal–provincial agreement on forestry for the province of Ontario. The previous one was in the area of $150 million over five years, toward replanting forests, projects such as the one I described in my own riding. Right now there is no money. The Minister of Finance is sitting right across from us and I hope he is listening attentively to this. I hope he instructs his colleagues to get on with it and to provide the province of Ontario with the federal government participation so we can continue doing so.

In terms of the federal government's commitment toward forestry, it is contrary to what we have just heard. I will just give you one instance of lack of commitment. The newly created independent forestry budget was reduced from $235 million to $207 million. I believe this is for the province of British Columbia. That is a net cut here of some $28 million. That is not what I call commitment.

[*Translation*]

Mr. Deputy Speaker: Questions and comments. The Hon. Member for Manicouagan (Mr. Langlois).

Mr. Langlois: Mr. Speaker, just a brief remark to remind my colleague from Glengarry—Prescott—Russell (Mr. Boudria) that, pursuant to clause 9, one of the responsibilities of the Minister will be to enter into agreements or arrangements with any person, body or government. He will have enough authority to discharge his duties. This means that the Minister may enter into agreements with the provinces, including agreements similar to ERDA subsidiary agreements. He can exercise that power with the approval of the Governor in Council.

Mr. Speaker, perhaps I might say in passing that the federal Government has just concluded agreements with New Brunswick under which the province will receive $91 million. It had received $77 million under the previous agreement, so this is a considerable increase in the federal Government's share in the development of forestry in New Brunswick. Similarly, Nova Scotia will get $45 million under a two-year agreement, again a significant increase over the funding made available under previous agreements.

In short, Mr. Speaker, the new Minister and his department will have full authority so sign agreements and support the growth of Canada's forest sector.

Mr. Boudria: In response to that argument, which was also directed to me, Mr. Speaker, it is true that the Minister can sign agreements with the province, but he has to go to another department, and that is even worse, he has to go to a number of departments to get the money. Yes, but this works out to the same thing. The minister may sign any agreement he likes, but in the case of agreements where funds are not involved, he needs authority. That is not very good. The fact is that the entire exercise is directed by others, not by the department. Here is an example. In the case of an agreement with the Atlantic provinces, the Minister of Public Works will be authorized to release the funds. In the case of the western provinces it will be the Minister responsible for grains. In the case of Ontario the purse strings will be held by the Minister of Regional Industrial Expansion and Member for Calgary. That is the way things work under the new legislation, Mr. Speaker, so it is not perfect by any means.

[*English*]

Mr. Deputy Speaker The hon. member for Glengarry—Prescott—Russell on a point of order.

Mr. Boudria: Mr. Speaker, there has been further consultations among the parties in the House of Commons. I think you would find that there is unanimous consent if we could make one slight modification to the rules that we agreed to change this morning.

All parties have indicated that it would be preferable to have 10-minute speeches, where those parties wish to have 10-minute speeches or two 10-minute speeches consecutively, but in those instances we would follow each speech with five minutes of questions and comments at the end of every one of the two consecutive speakers of that party, rather than having a combination of questions to two different members at the end, the way we have had for the last 40 minutes or so. I believe that all parties have given their agreement to that. Of course this does not oblige any party to having 10-minute speeches. They can continue having a full 20-minute speech followed by 10 minutes of questions and answers.

Mr. Deputy Speaker: Is this agreed?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: Resuming debate. The hon. member for Edmonton East.

• (1040)

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I would like to start with some general comments on the bill, by noting that it was in fact the New Democrats who proposed a separate ministry of forestry in 1983. I note as well that in 1984 the leader of the Liberal Party at the time opposed that suggestion by the New Democrats. I am glad to see that in the intervening five years the Liberals have come around to see the wisdom of the New Democrat position. It happens from time to time. In fact the Canadian political historic record shows that it happens quite often.

I would note as well that the Conservative Party promised a forestry department in the 1984 election. Obviously certain contingencies intervened and they were, how shall I put this, prevented from making good on that promise in the entire period of their first term. So, they were in the happy position of being able to use the promise again in the 1988 election, which of course they did, and I must say to their credit this time they have acted upon it. This is sufficient to render it not quite but almost unique in that entire panoply of promises that the Conservatives advanced at the 1988 general election.

However, we went through that first term of Tory government from 1984 to 1988 and it was drag, drag, drag. There was no action on the creation of a department whatsoever. Now, in its second term, it seems incredibly hasty in pushing this bill through the Commons as quickly as it can. It is a remarkable turnabout, and one that the New Democrats at least are not terribly comfortable with. As my dear grandmother used instruct me as well—she was a very wise woman—anything worth doing is worth doing well.

So, instead of rushing this bill through the House, we New Democrats would suggest that at the very least thorough consideration ought to be accorded it in this House. As well, we would sincerely suggest along with many other interested Canadians that a range of public consultations on the bill be undertaken.

If I may, I would like to quote from the September 1989, No. 23 Newsletter of the Canadian Institute of Forestry where they note that the CIF recommends that there be public consultation in developing the new forestry act. Obviously that recommendation is no longer actionable. However, they recommend further:

> —that the Standing Committee on Forestry and Fisheries be given legislative responsibility for review of the proposed legislation and that the committee hold public hearings in Ottawa and across the country. In this way interested groups and individuals will have an opportunity to make their views known concerning the federal role in the forestry sector.

A most admirably sensible suggestion, Mr. Speaker, and one which, if the government is serious about producing the best possible department of forestry, I am certain it will want to pursue.

Such consultations can be especially important given recent events and the growing importance of forestry in areas not previously known for it, like my home province of Alberta. There are huge new projects being proposed especially in the pulp and paper realm in the province of Alberta. In their wake, these new projects are creating growing environmental concerns.

Among those developments, in the light of which this bill and this new forestry department must be seen, are the unfortunate cut-backs in federal funding for forestry related matters that we have experienced. As was reported in that national newspaper *The Globe and Mail* on May 17 of this year the minister himself said that, excluding FRDAs his department will have $207 million to spend this year. This is nearly a $28 million drop from forestry expenditures last year.

I understand the members across the way have been arguing that this is not a cut-back, that in fact this is an enhancement. Such a cavalier approach to the English language do them no credit but we will, of course, leave it to their constituents this instance.

In the same story the hon. minister is reported as saying that funds for FDRAs would come from general regional development allocations, themselves slated for cuts. So even in this instance we have a bit of trouble with the usage across the way.

Finally, it is noted that the Western Diversification Agency will bear responsibility for funding the FRDAs with the provinces which fall within the jurisdiction of that agency. In total, the finance minister's budget papers showed a drop from $1.4 billion for regional development spending—and this with regard to the Western Diversification Office—during the current 1989-90 fiscal year to about $1 billion annually over the next four years. The government may argue if it wishes that this is not a cut, but I think it will have trouble convincing Canadians of that.

As well, even allowing that there is substantial but reduced funding for FRDAs out there, it must be borne in mind that that funding is to be delivered through the regional development vehicles and through the FRDAs. We have a situation in which as of March 31 this year, six Forestry Resource Development Agreements have expired. These are with my home province of Alberta, with Saskatchewan, Manitoba, Ontario, and New Brunswick—a new deal has been agreed to in principle with New Brunswick, it must be noted—and with Nova Scotia, for a total of $420 million.

The programs and jobs related to these programs are thereby threatened. It is greatly to be hoped, in fact it is reasonably to be expected, that the programs will be renewed. It is greatly to be hoped that they will be enhanced. But we have no guarantee of that. Such a guarantee must be forthcoming if we are to take the government's protestations about its desires for a new forestry department seriously. New Democrats have been vigorous in calling for the renewal of these programs. We will continue to be vigorous to that end.

There is another factor in light of which the growing importance of forestry and the proposal for the establishment of a forestry department must be viewed. That is the serious concern that establishing this new department will not be accompanied by the changes necessary to make it a sufficiently significant player within the ranks of the government.

The Conservative Government is using new agencies to act as the vehicle for federal-provincial economic development agreements, including the FDRAs. In my part of the country, that is, as I have noted, the Western Diversification Office. It controls funding for forestry programs in western Canada and the FDRAs are funded out of the WDO budget.

The forestry minister has to seek funds from western Diversification before he can negotiate with provinces to establish agreements. In other words, the decision-making power over who will get FDRAs and what those FDRAs will contain does not rest with the minister. In the first instance, that decision rests with the Western Diversification Office, which it must be noted has a great deal else on its plate. So what does this tell us about the importance that this government places on its new department and its minister? It tells us that it and he are second string. That is unfortunate because the economic ministries are sort of second-level treasury boards, and the minister has to deal with them for funding of his major programs.

The New Democrats are insistent that the department of forestry must have direct control over its own programs and its own initiatives. There is no substitute for this if we are to take the government's program at all seriously.

There are problems with the bill. There are problems with the department that the bill proposes to create. It is nothing that cannot be fixed. It is not an irreversible situation. But the government must listen, and not just to us on the opposition benches. The government must listen to the people of Canada, especially those with direct interest in forestry, if it is to improve this bill as it must be improved before it becomes law. But the government must listen, not just to us on the opposition benches, but to the people of Canada, especially those with a direct interest in forestry, if they are to improve this bill, as it must be improved, before it becomes law.

• (1050)

While we are on the topic of forestry, and given the importance of this issue in Alberta and the likelihood that there will not be many chances to address this issue in the House at this sitting, I would like to mention a few related matters that concern my constituents and the people of Alberta generally.

The forestry projects that are coming in Alberta, especially the major pulp and paper projects, have been the subject of considerable concern in that province. The Daishowa plant near Peace River is to be constructed with the help of a $9.5 million contribution from the Western Diversification Office. When this plant proposal was announced, many people were concerned that there had not been a proper environmental assessment review. They were right, there had not been. There were no public hearings.

The company prepared an environmental report, an impact statement, for the provincial environment department. The report did not even consider the cumulative effects on Alberta's environment of the contribution that the Daishowa plant would make to pollution in the province in light of that pollution which will be contributed by all the other proposed plants and those currently in place.

In fact, there are, as a consequence of that cumulative effect, which it is reasonable to anticipate, serious concerns about the biological oxygen demand levels in the rivers affected, principally the Athabasca river, but as well the Peace river, and about the dioxin and furan emissions from those plants. Since there was no proper environmental impact assessment, construction went ahead without these concerns being heard, much less addressed. In fact, Daishowa was granted a forestry management agreement for the mill on land claimed by the Lubicon people who are currently in the midst of a very serious, lengthy dispute with the federal government. The Daishowa plant was granted land out from underneath them; a most serious development and one that does neither of the governments involved any credit whatsoever.

I should note that one of the other major mills being proposed for Alberta is the Alberta-Pacific mill, which is to be located on the Athabasca river. The review by Alberta-Pacific was, it must be said, much better than the review undertaken by Daishowa. There is, for example, a joint federal-provincial co-operative approach to environmental assessment in this instance.

In fact, I will quote from the release of the Minister of Environment Canada, Release No. PR-HQ-089-34, dated July 19, in Ottawa.

He notes that he and Mr. Klein announced a federal-provincial environmental review of the proposed Alberta-Pacific kraft paper mill in northern Alberta. He said that the terms of reference of the review board will emphasize the need to assess cumulative impacts from the Alberta-Pacific and other mills on all downstream interests.

There we have it, a reasonable approach in this instance, assuming the review to be a thorough and effective one. What was lacking in Daishowa in this regard, at least, we find at Alberta-Pacific, and that is a good thing because there remain serious concerns.

I would note, as well that under this review for Alberta-Pacific, public hearings will be held. Their effect is yet to be judged, but the hearings themselves will be held. Intervener funding will be offered and, as I said, the cumulative effects of the mills on the river system is to be examined.

Why is that so important? It is because there are very, very serious concerns about the cumulative effect of biological oxygen demand occasioned by the operations of these pulp mills. In fact, just in the last week, the Alberta environment department released the results of an 18-month study on the Athabasca river that forecast that the river's oxygen level will stay above Alberta's set requirements for oxygen levels in that river only if stringent new standards are implemented and followed.

There are environmental groups in the province, including the Alberta Fish and Game Association, who are convinced that the measures proposed by Alberta environment are themselves inadequate. But one thing is clear, unless pulp mills are stringently regulated and are subject to the most rigorous environmental standards, the consequences both in northern Alberta and in the territories right up to the Arctic can be catastrophic.

It is this sort of thing, as well, that I would suggest any new forestry department must take into account as part of its mandate. The effects on the forestry industry are every bit as much an attribute of the forestry industry as are the revenues that that industry can generate. The department must understand that, and the department must incorporate that into its mandate.

There are other things that any such new department must consider. There are questions that generally revolve around the sustainability of forestry as an industry in Canada, questions that incorporate considerations like cutting practices. I am certain many of the members of this House who have had the opportunity to drive the beautiful mountain highways of Alberta and British Columbia during our delightful summer months have seen the incredibly panoramic vistas before them as they drive those highways, and have noted huge sides of mountains stripped of trees, indeed, of virtually all vegetation rising more than a foot or so above the surface. This is clear cutting, and it is an environmentally hazardous practice, especially in sensitive watersheds. Yet clear cutting remains the dominant—to use the industry's term—harvesting technique in Canadian forestry. This is an especially difficult problem in Alberta because ours are poor grey-wooded soils where the main forest harvest is to occur, and those soils are especially sensitive to the impact of clear cutting.

Among the things this department must do, Mr. Speaker, is examine and indeed facilitate and foster alternatives to clear cutting. We must look at the diversification of those products that we take from our forests. There is a vast range of products that now can be created from forestry, not just board lumber and not just pulp and paper. The department's mandate should include efforts, in current vernacular, to "sus out" those alternatives and popularize them.

Finally, it should be noted that in our urban areas we already have forests of paper merely waiting to be recycled. And that, too, is a legitimate concern of the forestry department.

New Democrats do support this bill. We support the creation of a department of forestry and have done so for many years. But the Bill does not go quite far enough. The forestry department, as envisioned in this bill, is not quite sufficiently effective. There are changes that must be made and which are perfectly worthy of study by the Standing Committee.

Mr. Deputy Speaker: We will have the question and comment period, after Question Period. It being 11 o'clock, we will now proceed with Statements by Members.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

ORGANIZATION OF AMERICAN STATES

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, on October 25, in Costa Rica at a meeting of the countries of the western hemisphere, Prime Minister Brian Mulroney is expected to make an announcement

that will forever change the face of Canadian foreign policy with respect to Latin America. For decades now, countries such as Mexico and the Caribbean Islands, who are members of the Organization of American States, have asked Canada to join in the hope that their concerns would be better represented than they are by the government in Washington. Canada has steadfastly refused, as the Organization has been perceived as merely an extension of American foreign policy and our membership in it may serve to compromise our independence regarding our own relationship with member countries.

Growing Canadian trade and a trend towards democracy may, indeed, be good reasons to re-evaluate our past positions. Any re-evaluation, however, should be done in consultation with Canadian groups and agencies across Canada who work very closely with member countries and therefore would have invaluable input into the final decisions. This is a very important change in the direction for our country.

• (1100)

I urge the Prime Minister to seriously consider not making a decision on this issue until we are able, possibly in the External Affairs Committee, to study whether it is in our interests and whether it is in the interests of member countries for us to join the OAS.

* * *

UKRAINE

Mr. Alex Kindy (Calgary Northeast): Mr. Speaker, after having recently spent some time in the Soviet Union and particularly in Ukraine, I was able to observe the positive developments of Mr. Gorbachev's policies of *perestroika* and *glasnost*. There is now a window of opportunity to show Canadian support for those changes taking place in the Soviet Union.

At the present time, Canadian businessmen are travelling in Ukraine and are considering joint ventures in Ukrainian enterprises. Therefore, on the occasion of the Prime Minister's visit to the Soviet Union and Ukraine, I strongly encourage him to take that opportunity to announce the opening of a Canadian consulate in Kiev, the capital of Ukraine. This would follow an earlier decision of West Germany to do so. The Canadian counsulate would facilitate tourism and cultural and economic exchanges with that part of the Soviet Union and would show support for Mr. Gorbachev's policies.

* * *

FISHERIES

Mr. Peter L. McCreath (South Shore): Mr. Speaker, this week, for reasons known only to themselves, the Canadian Auto Workers, through some representatives, have garnered considerable publicity in Nova Scotia with threats to block National Sea Products trucks from exporting unprocessed fish from Nova Scotia.

Export trade, particularly to the United States, is the backbone of the Atlantic fishery. If Canada wishes to participate in trade with GATT nations, like it or lump it, Canada must abide by GATT rules.

If the CAW can write a law or a regulation that would prevent the export of unprocessed fish from Nova Scotia and is GATT consistent, then I and many others would welcome it. Such activity would be far more helpful to the people of Lockport than irresponsible actions which can only serve to scare off potential investors from CAW plants.

* * *

[*Translation*]

REPUBLIC OF ARMENIA

Mr. Bill Blaikie (Winnipeg—Transcona): Mr. Speaker, I rise today to draw the attention of the House to the crisis in the Republic of Armenia in the Soviet Union, crisis caused by the almost total blockade imposed by its neighbour, the Republic of Azerbaijan.

Almost all supplies in Armenia must pass through Azerbaijan. Because of this blockade, industry is paralysed, oil has run out, rebuilding from the earthquake is coming to a halt, and food and other necessities are in increasingly short supply.

[*English*]

This reprehensible blockade stems from the persistent dispute over control of the Ngorno–Karabagh region. The population of Ngorno–Karabagh is comprised predominantly of ethnic Armenians and they have expressed their desire and determination to be reunited with Soviet Armenia.

The U.S.S.R. Government has been at best ineffective in resolving this dispute. We implore it to act quickly to end the blockade of Armenia and to work for a solution which will ensure the security and respect the fundamental rights of the Armenian people. We strongly encourage Mr. Gorbachev to talk seriously with representatives of the Ngorno–Karabagh regarding their demand for reunification with their Armenian homeland.

* * *

[*Translation*]

REGIONAL INDUSTRIAL EXPANSION

Mr. Charles A. Langlois (Manicouagan): Mr. Speaker, I am pleased to point out in the House today that thanks to the economic policies of our Government and the cooperation that now exists with the provincial Government, the region of Sept–Îles in my riding was selected as the site for an aluminum smelter. This project, which involves a private investment of $1.3 billion, will create nearly 2,000 construction jobs and provide permanent employment for almost 700 workers.

The Alouette Inc. aluminum project came about because of the determination of the Sept–Îles community, the willingness of German, Austrian, Dutch, Japanese and Québec investors and the participation of the federal Government in developing port facilities.

Mr. Speaker, that is a fine example of cooperation between the federal and provincial governments and private capital which is giving my region an unprecedented economic boost!

[*English*]

WITHDRAWAL OF VIETNAMESE TROOPS FROM CAMBODIA

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, as preoccupied as we have been in Parliament in the last week with rising taxes and disappearing trains, it is important for members of Parliament to raise their heads and pause for a moment at greater tragedies happening around the world. This morning I would like to point in particular to the withdrawal this week of Vietnamese troops from Cambodia without any cease–fire or internal settlement, leaving the fear and the potential crisis of a new civil war emerging in that tragic country.

Canadians will remember the horrifying reports of the killing of over a million people at the hands of the Khmer Rouge just a few short years ago. With the coming of the dry season, the potential of a new civil war emerging looms large.

For our part, Canada has been invited to act as a member of an observer team, and while western nations have been reluctant to join in without a comprehensive agreement, it does not mean we should stand idly by without making some real effort to find a resolution to the tragic conflict.

We hope that at the meetings this week in the General Assembly of the United Nations, the Secretary of State for External Affairs will use the good offices of this country to remind western nations of our responsibility and will do everything we can to avoid another conflict in that tragic but very lovely country.

* * *

CHILD ABUSE PREVENTION MONTH

Mr. Girve Fretz (Erie): Mr. Speaker, I think it is important for the House to recognize on the last sitting day of September that this month has been declared to be Child Abuse Prevention Month by the Independent Order of Foresters, IOF.

During September, the IOF has undertaken an awareness raising effort in communities across Canada in order to diminish the problem of child abuse. Child abuse, like other forms of family violence, is an issue of grave concern, not only to the federal government but

to all Canadians. Prevention of this horrible crime is our ultimate goal. The goal can only be realized through the concerted efforts of many partners, including the federal government, the provinces, the territories, community groups, professionals in the field and, most important, aware and informed parents.

The Independent Order of Foresters is to be commended for its efforts this month in helping the public recognize the problem of child abuse and for offering positive steps toward solving it.

* * *

CANADIAN ARMED FORCES

Hon. William Rompkey (Labrador): Mr. Speaker, lives will be lost and time wasted if the federal government goes ahead with plans to shut down search and rescue operations at Canadian Forces Base Summerside. Two retired senior officers of the Canadian Armed Forces have told us this.

Lieutenant Colonel Dennis Hopping, who commanded the search and rescue squadron from 1981 to 1984, said the move from Prince Edward Island makes no sense from an operational point of view. Major Gary Naylor, who was commander of the rescue co-ordination centre in Halifax, said he expressed similar concerns in a letter to the Minister of National Defence last spring and received no reply.

Both men pointed to a major report on defence tabled in 1982 which identifies Summerside as the optimum site for search and rescue operations in Atlantic Canada, an opinion the federal government appeared to support until last spring. We know that in April the federal government announced its intention to close the base and to move search and rescue out of Summerside. This is a crippling blow to Summerside, wiping out 2,900 jobs.

A time when the fishery on the east coast is in crisis, a time when the social security net, the unemployment insurance, is being dismantled by this government, is no time to play with the lives of fishermen and mariners in the north Atlantic. I call on the Government of Canada to do the sensible thing, the wise thing, to restore search and rescue to P.E.I. and give the people back their jobs.

S. O. 31

NATIONAL PAROLE SYSTEM

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, it is with much regret that I inform the House of yet another instance when our national parole system has failed us. In the 1960s Blaire Donald Johnson was convicted of murder with malice in the United States. Again in 1980, this time in Canada, he was convicted of rape.

In August of this year he was released on full parole. Less than one month has passed since the approval of his full release and he has struck again. Six days ago in my B.C. riding of Fraser Valley East he was charged with unlawful confinement and sexual assault.

Clearly we live in a dangerous world which warrants strong measures in order to protect the public. In this case, the current system has failed. How was it that a twice convicted violent criminal was allowed out on our streets? How was it that the current system allowed this man to slip through? The parole board cannot be easily perfected, but perhaps at this time its parole procedures could be re-evaluated. Therefore, I call upon the Solicitor General to look into this matter and put an end to such preventable crimes in the future.

* * *

BILL C-21

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, the public hearings on Bill C-21, which changes the Unemployment Insurance Act, have been concluded. There has emerged from these hearings one common theme expressed by cities, community groups, national organizations and private citizens alike in reaction to these changes and that is one of anger.

• (1110)

The government's claim that it was introducing these changes in order to make unemployment insurance fair has been shown for what it really is, an attempt to punish the victims of the system. Time after time, government members of the committee referred to polls showing that Canadians think unemployment insurance is abused, in spite of the minister's statement that abuse was not an issue.

There is an abuser of the unemployment insurance system and it is the government through this act. Increasing the qualifying period is an abuse of the victims of the government's failed economic policies. Decreasing the length of benefit periods is an abuse of the victims of the government's failed right-wing agenda. Doubling the penalty for women who have to quit their jobs because of sexual harassment or because they have to meet the needs of their children is an abuse of Canadian women.

Canadians have told the government in no uncertain terms that these changes to the unemployment insurance system are immoral.

* * *

[*Translation*]

FREE TRADE

Mr. Denis Pronovost (Saint-Maurice): Mr. Speaker, I am happy to see that, thanks to the Canada-United States Free Trade Agreement, Ontario-based Arriscraft Corporation has decided to build an ultra-modern plant in Quebec rather than in New England.

Next spring Arriscraft will build in Saint-Étienne-des-Grès in my riding of Saint-Maurice a $12 million calcium silicate brick factory.

That decision to choose Quebec over the United States shows once again this Government's economic foresight.

[*English*]

From the great city of Cambridge, Ontario to St-Etienne-des-Grès in my riding, Arriscraft Corporation will now be able to compete in the north American market and also succeed.

* * *

DREDGING OF ST. CLAIR RIVER

Hon. Herb Gray (Windsor West): Mr. Speaker, I would like to draw the attention of the House to a serious matter directly affecting the health of thousands of Canadians in southwestern Ontario. The Great Lakes Water Quality Board says that river and lake bottom sediments are huge reservoirs of pollutants. Now the government is dredging up these materials from the St. Clair River and dumping them in 15 feet of water in Lake St. Clair.

Today the Walpole Island First Nation announced that it is seeking an injunction requiring the federal government to cease all dredging of these potentially hazardous materials from the bottom of the St. Clair River until a full environmental assessment is completed. This project has been undertaken without an environmental impact study and without consulting the Walpole Island Nation whose people rely on the river and lake for their traditional economy.

I and the Member for Kent ask the government to stop this dredging unless and until a full environmental assessment shows it is safe to do so. I and the Member for Kent ask the government to show more concern for the health and safety of the thousands of Canadians living in the vicinity of the St. Clair River and Lake St. Clair.

* * *

MEECH LAKE ACCORD

Mr. Albert Cooper (Peace River) Mr. Speaker, Canada is a very special nation, a country blessed with abundance, a land filled with resources. We are a country envied around the world, an envy that has attracted people to our land and allowed us to build a nation that provides opportunity to our citizens and dreams for our youth.

This is not a country that anyone should take for granted or treat as the stakes for a game of Russian roulette. Canada is a country worth fighting for. I call on our premiers to reach out to one another in generosity and in kindness to achieve agreement on the Meech Lake Accord, to take our nation through this first round of constitutional reform and to lead our country into maturity.

Now is the time to set aside our personal and political differences and to follow the example of the Hon. Member for Shefford.

* * *

PROPOSED GOODS AND SERVICES TAX

Mr. Jim Fulton (Skeena): Mr. Speaker, Canadians concerned about the environment were extremely unhappy with the decision taken by the Minister of the Environment to proceed with the Rafferty-Alameda project without holding a public environmental impact assessment and were similarly disgusted with the bungled attempt to export Canadian PCBs across the world.

Despite the public promises of the Conservatives to take environmental consequences into account in making all economic decision, we see the Minister of Finance promoting the GST without any concern whatsoever for the negative environmental consequences. Why should environmentally friendly goods be taxed at the same rate as goods and services which poison our air and drinking water and contribute to our monumental waste disposal problems?

The Minister of the Environment should hang his head for supporting a regressive tax regime which taxes recycled paper at the same rate as other paper, bicycles at the same rate as cars, alternate energy at the same rate as fossil fuels which contribute to the greenhouse effect, cloth diapers at the same rate as disposable ones.

Jim MacNeil, Secretary General of the Brundtland Commission, was dead on yesterday for condemning the Conservative government for being long on talk and short on action for protecting our environment. It is time for green taxes, not grief taxes.

* * *

CANADA POST

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I rise today to impress upon the government the need for close scrutiny at Canada Post. *The London Free Press* today, has a front page story which alleges that managers at Canada Post in London, Ontario, have been artificially doctoring employee attendance records to make employees who were absent appear as though they had been present. One has to wonder why these kinds of activities are going on and why it is that someone would have the motivation to do so if those allegations are in fact correct.

I have in hand an internal letter of Canada Post dated February 7, 1986, in which one manager brings the following to the attention of lower managers. He says:

> Any raises for MPS categories are hinged directly to our control of absenteeism. Last year I got no raise! This year I want one! Do your part, it is all that I ask.

We have suspected for some time that there are bonuses at Canada Post for managers who twist the arms of people below them. This seems to be proof of exactly that kind of practice.

ORAL QUESTION PERIOD

[*English*]

VIA RAIL

Mr. Maurice A. Dionne (Miramichi): Mr. Speaker, in the absence of the Prime Minister, I will put my question to the Deputy Prime Minister. Canadians learned today that the decision concerning VIA Rail was not taken as a result of the government's budget-cutting exercise as we were led to believe. I have learned that it was discussed on November 22, one day after the federal election, according to a leading newspaper.

This is an attempt to fool Canadians. I ask the Deputy Prime Minister, why did the government try to mislead Canadians on this very important question?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I would like to see a little more consistency on that side of the House of Commons. Yesterday I was accused of not being aware of what happened to transport in the April budget and that everything had been imposed on me.

Today the member stated that there was a document which was issued in November saying that I proposed to cut VIA Rail. I believe that he should make up his mind as to whether it is November or April. Please, I do not think we need two versions.

Mr. Dionne: Mr. Speaker, I did not say that to the minister because I did not put my question to the minister. Again, since it was the Deputy Prime Minister who reinstated routes that had been cancelled previously and told people to "use it or lose it", I would ask the Deputy Prime Minister why the government is refusing to consider all the facts before taking such Draconian action against the travelling public of this country.

[*Translation*]

Mr. Bouchard: Mr. Speaker, since April and even before then, the Government has been considering various factors to determine the future of VIA Rail.

I said not long ago, in fact I have been saying this all week, that we were involved in a decision-making process and that as soon as the decision is announced, Hon. Members will be able to stop relying on leaked documents at a rate of several per week, and use official documents provided by the Department of Transport.

[*English*]

Mr. Dionne: Mr. Speaker, nothing would enhance the Department of Transport as much as the minister leaving it.

Some Hon. Members: Oh, oh!

Mr. Dionne: I would like to put a question to the Deputy Prime Minister. I would like to ask him if he would consult with the Prime Minister and advise him that the transport committee will be meeting at 9.30 on Tuesday, October 3, and would he ask the Prime Minister to come before that committee and try, if he can, to explain why the government is taking this Draconian action which is going to hurt the Canadian environment, is going to devastate the travelling public and is going to wind up destroying VIA Rail.

• (1120)

Mr. Bouchard (Roberval): Mr. Speaker, I will be very brief. I hope that the committee will do the same work that it did in 1981 when this member was chairman of the Standing Committee on Transport and he cut VIA Rail by 20 per cent.

* * *

JUSTICE

Hon. Bob Kaplan (York Centre): Mr. Speaker, in the absence of the Prime Minister, my question is directed to the Deputy Prime Minister. Yesterday the government was rushing to defend itself against the charge contained in the RCMP DEA report which was made public yesterday that the government has let Canada become a haven for the proceeds of crime.

After declaring a war on drugs, the government rejected the essential bank deposit reporting requirement which I brought forward when the bill was before the committee. It sat on the bill for six months after it was passed before proclaiming it. Rod Stanler, the distinguished RCMP drug officer, left the force, saying that the government was afraid the new law, and the Minister of Justice himself yesterday said that because of failings in the law, the municipal police forces of the country are not using it. Instead of declaring itself a success, why does the government not admit that this law is a failure and bring forward amendments to correct it?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think it is quite clear that this government has taken very seriously the whole question of money laundering, also the whole question of the problem of drugs as has been indicated by the Prime Minister for a number of years now at a time when he was ridiculed by the members opposite because of the words that he used to describe the problems of drugs in this country.

On the question of money laundering, we have always taken this as a serious matter. We had this report which I should point out is a year out of date. It is a September 1988 report. Since then, we have had Bill C-61 which deals with the proceeds of crime. We have also entered into mutual legal assistance treaties with the United States and other countries.

At the last summit we agreed with our partners in the summit countries to work co-operatively on an international basis to deal with this problem.

In addition to that, the RCMP and ourselves are working very closely with the chartered banks to ensure that the practices that they are following are consistent with what is required to address this problem which is clearly an international problem.

Mr. Kaplan I do not think the Minister knows what is happening. He just said that we entered into a mutual legal assistance treaty. In fact, we endorsed it on our side, but is it not a fact that the U.S. Senate is refusing to ratify that treaty, particularly because Canada has no minimum deposit reporting requirement in our law? That is a report from the *Financial Post* just the other day.

I want to ask the Minister to retract the statement that we have a mutual legal assistance treaty. In fact, we do not, and we will not have one until we have a proper law in this country about the proceeds of crime.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, the Member is quite correct that we have indicated our readiness to ratify that mutual assistance treaty.

Ms. Copps: That's not what you said, Mike.

Mr. Wilson (Etobicoke Centre): I just said that I agreed with the member opposite. We have not had the United States saying to us that they are ready to ratify that treaty. We have been working closely with it, though, in an operational sense, and we will continue to work closely as has been indicated by representatives of the Drug Enforcement Agency in the United States on television this morning.

* * *

VIA RAIL

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is addressed to the Minister of Transport.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Perhaps he will stop his clapping when he hears the question.

The Government of Canada, through the office of the Prime Minister during the election campaign in 1988 promised to improve VIA Rail. This was during the election campaign, I repeat. We now learn, according to a report in today's press, that while this promise was being made, the government had already made a decision for major cut-backs in VIA Rail and the then President of VIA Rail was informed of that but had been asked to keep quiet during that election period. Why was the Government of Canada saying one thing during the election campaign while simultaneously making its decision about VIA Rail to go in the opposite direction?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I will not stop clapping. It was not because the member asked me a question. It was because I appreciate the reason why his party was applauding and I will continue to clap.

Now, concerning VIA Rail, first of all the document that the leader of the NDP is referring to is a document that I have not seen. It seems to be a leaked document, but even if the document has been leaked, the document referred to November 22, the day when I was at my doctor's office for surgery I would undergo the week after. I was surely not deciding about VIA Rail.

Mr. Broadbent: Mr. Speaker, the minister's medical appointments to one side, whether it was on that precise day or not, the accusation is extremely serious. The accusation is made that the head of VIA Rail knew that a decision had been made to have cuts in VIA Rail but had been asked to keep quiet during that period, and at the same time the Prime Minister's Office, in response to questions about government proposals for action on VIA Rail during the election, was promising, to quote the document put out by the Prime Minister's Office, to enhance the service of VIA Rail.

Was the president of VIA or was he not informed at that time of a decision that had been taken? Why, I repeat, was the Government of Canada, in an election campaign, saying one thing about VIA Rail and at the same time planning to go in the opposite direction?

[*Translation*]

Mr. Bouchard (Roberval): Mr. Speaker, obviously a process is now in place for the decision making on cutbacks at VIA Rail, and this process ended or started, as the case may be, on April 27, the budget cuts were announced. Almost six months after the election campaign, the Budget was brought down in which the Government announced its intention to cut back on spending. I think this is a completely normal process. I intervened in the process when I had to, contrary to what was said yesterday. I repeat, what is important is that the corporation had to be given spending levels commensurate with our ability to pay, and this was made clear in the April Budget, but I repeat, this was part of a procedure that took several months to establish.

Mr. Broadbent: Mr. Speaker, the Minister did not answer the question. My last question is as follows: The Minister responsible for Montreal said yesterday that he did not know what impact these cuts would have on the Montreal area. However, according to recent information, we are going to lose 3,800 jobs in Montreal, 500 in Winnipeg, 300 in Halifax, which means a total of 13,000 jobs in Canada. My question for the Minister is very direct: Will he publicly admit today that the Government intends to abolish 13,000 jobs?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, of course I will not confirm those figures which, once again, are based on documents that are not official. I have no idea where those figures come from because I have not seen them, and so I see it is my responsibility, Mr. Speaker, not to confirm either the document or the figures it contains.

• (1130)

[*English*]

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, on Wednesday the Minister of Transport said in this House, and I quote:

> The Minister of Finance has decided for the best of this country to determine new reference levels for VIA Rail.

This is the first time that we have an admission by the Minister of Transport that the decisions on VIA Rail were in fact made by the Minister of Finance. What the Minister of Finance and his department know about transportation policy in this country is beyond me.

Let me address my question to the Minister of Finance. When will he table in this House the studies and criteria used by his department to determine those reference levels? We need the supporting documentation on how he arrived at these figures and perhaps the minister will be kind enough to tell us when this information will be brought to the House.

Mr. Bouchard (Roberval): Mr. Speaker, I said yesterday and I repeat it today, as I just said to the Leader of the NDP, I have been a part of this decision all along.

Yesterday I was accused of not being part of the process and today your colleague said that I did in November. I think, once again, we need a little consistency. The possible cuts at VIA Rail, the cuts in the reference levels, have been decided by the cabinet.

Mr. Comuzzi: Mr. Speaker, I agree with the minister that we need a little consistency and let me just clarify some information that has been coming forward.

VIA Rail in fact does use 3 per cent of those people using transportation needs in our country. But in context, the bus service in this country uses 4 per cent, the air services use 7 per cent and the automobiles on the highways use 86 per cent. So in context 3 per cent is a rather large number.

Having said that, my next question is to the Minister of Finance also. The $250 million used in your statistic, 1993, is calculated in 1993 terms. Does the Minister of Finance say that this in effect destroys passenger rail service in this country?

Mr. Bouchard (Roberval): Mr. Speaker, I believe that the reference levels were determined based on the capacity of Canadians to pay for the budget as a whole. The member gave a few figures, he said 3, 4, 5, 6 per cent, and I think those figures are accurate, but at the same time the Department of Transport has to determine subsidies or support for different kinds of transportation modes.

We have determined that VIA Rail, transporting just 3 per cent of intercity passengers, should be cut in light of the fact that in terms of the reference we had for the other modes of transport, VIA Rail was over-subsidized. This is the reason why we have those figures.

* * *

PROPOSED GOODS AND SERVICES TAX

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, my question is to the Minister of Finance. Because the threshold of the GST tax credit system is not fully indexed, over half a million low-income Canadian families who would be eligible for full refundable GST credits in 1991 will lose either part or all of their credits within five years. Because of this erosion, within 10 years over one million will lose their credits.

Can the minister explain why he has decided not to protect low-income Canadians?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think it is quite clear that the government has been sensitive to the impacts of the indexation formula that is now in the tax system, the CPI minus three formula. As an example, on the question of the refundable sales tax credit, we started with a threshold of $15,000, then we moved it up to $16,000, then we moved it to $18,000. Now with the GST proposal it is going to be $25,000.

That indicates that we review these programs on an ongoing basis and we make adjustments where they are appropriate. I think it would be wrong for the hon. member to draw the conclusions, as he has, that in a certain period of time X thousand people will be ineligible for the GST credit. All elements of the tax system are indexed the same way and all elements of the tax system will continue to be indexed the same way. They will be adjusted as appropriate as time goes by.

Mr. Pickard: Mr. Speaker, obviously where these credits are not fully indexed, year by year, each year and every year, Canadians lose the value of that credit system. Obviously this tax must be withdrawn. If the minister is really serious about protecting low-income Canadians from this regressive GST he will not increase the burden placed on these people.

Will the minister commit to the House today to fully index the income thresholds of the tax credits and the tax credit system in order to protect all low-income Canadians?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I think fair-minded Canadians would see clearly that what we are doing in the GST tax system is changing from the regressive nature of the sales tax system we inherited in 1984 whereby people who were in low-income brackets were paying 2 or 3 percentage points more of their income in sales tax than those in upper incomes. That is clearly regressive.

With the refundable sales tax credit and the GST credit that we are bringing with the GST tax system, we have changed that so that people in low incomes will be paying 2 or 3 percentage points less of their income than those in upper-income brackets. Clearly, we are moving to a much fairer system and that system is widely acknowledged as being far better than the very regressive system that we inherited in 1984.

* * *

VIA RAIL

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have a question for the Minister of Transport. At the VIA Rail board of directors meeting of September 7 they were supplied with a document entitled *Financial Results and Forecast, July 1989* In that document there are a number of financial statements and a number of graphs, that clearly indicate that the people of Canada are using VIA Rail in ever-growing numbers. Revenue is up from $65 million to $123 million over one year. The trend lines for every route are in an upward direction. These are VIA Rail documents and I will send the minister a copy so he knows what I am talking about.

Given these documents, these pictures that VIA Rail has that show that people are using the rails, that revenue is going up, will the minister not agree that what he has been doing is purposely telling the people of Canada one thing that is not supported by the facts?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I said yesterday what I think about the kind of figures my friend is proposing. The information I have for VIA Rail is that for the first six months of 1989 the increase in traffic was 4 per cent. I believe we have to be serious. If the trains were full, if we just had a lot of money to operate the trains, we would keep the same system. However, we subsidize routes by $641 million. We have a route in British Columbia which costs $419 per passenger. We have routes which cost $325 per passenger. If it is working so well, if people are using the train that much, how can we have those figures where we have deficits of more than $600 million?

Mr. Angus: Mr. Speaker, the document I have is not a fabrication. It is a document which was produced by VIA Rail and submitted to its board of directors earlier this month. That document shows that train revenue system-wide is up 14.6 per cent, passenger miles are up 7.3 per cent, train yield is up 6.8 per cent, load factor is up 12.3 per cent and total passengers are up 2.7 per cent. What this document shows, Mr. Speaker, is that in spite of the antiquated equipment and the very poor marketing that VIA has been able to do because of the cuts, more and more people are using the train, and we have to find a way to invest in rail passenger services so that more people can use it and we can lower the cost, because it is possible.

• (1140)

The minister knows that the costs can be reduced by investing in new equipment, and with proper operating rules with CN and CP. It can be done. Unfortunately this government doesn't have the backbone to do it.

Mr. Bouchard (Roberval): Mr. Speaker, I know that the NDP always has the magical formula. We know that, everybody knows that. But he didn't give any figures about costs. Last year, 1988, revenues were up $26 million, but expenditures were $94 million more. Is this the kind of management he wants?

In 1987 the total costs were $638.4 million; in 1988, $732 million. The costs increased more quickly than the revenues. I am not a specialist, Mr. Speaker, but normally when the cost is over the revenue there is a problem.

FISHERIES

Mr. Peter L. McCreath (South Shore): Mr. Speaker, my question is for the Minister of Fisheries and Oceans, but in his absence I will address it to his parliamentary secretary.

The Canadian Auto Workers are threatening to disrupt the export of unprocessed fish from Nova Scotia. What is the Government of Canada going to do to discourage or prevent the export of unprocessed fish from Nova Scotia?

Mr. Ross Reid (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, my colleague raises a very serious issue, one of concern to a number people of Nova Scotia. If regulation is necessary to deal with this problem, it is regulation that must come from the province of Nova Scotia. However, I suspect that that government recognizes the traps that are involved and the potential difficulties in dealing with GATT, which we all comply with and is supported by all parties in this House.

This government would prefer, Mr. Speaker, to deal in voluntary measures and to deal with incentive-based measures to deal with this critical problem. It is something that has been discussed and studied by the Haché report, which will be presented to the government and, in turn, to the special committee reviewing the Atlantic fishery.

* * *

UNEMPLOYMENT INSURANCE

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, in the absence of the Minister of Employment and Immigration my question is to the Deputy Prime Minister.

Virtually all the witnesses to appear before the legislative committee studying Bill C-21, the unemployment insurance legislation, were opposed to the government's proposal to withdraw its financial contribution to the UI account. Indeed, employer representatives were led to say that if our premiums are expected to pay for this program then we should be allowed to run it. They then proposed that fisheries benefits, maternity benefits, and training be removed from the program.

Is this the government's intention? Is it the hidden agenda to carry out a two-step privatization of UI in Canada?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): First of all, Mr. Speaker, I must repeat that the changes to the unemployment insurance scheme have the very definite objective of making it more efficient, more dynamic and more active. The Government is not surrendering its unemployment insurance responsibility, for we shall continue to administer the unemployment insurance fund and support training programs together with the private sector which acknowledged in a brief its obligation. And if ever Canada were to face difficult economic times, we would take steps, as a responsible Government, to absorb any deficit incurred by the unemployment insurance fund. Therefore, as a Government, we maintain our involvement, but in a different way, because the unemployment insurance reform calls for a new philosophy.

Mr. G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I have a supplementary question. When the Minister of State for Employment introduced Bill C-21, she told us that the changes would not affect the benefits paid to independent fishermen. Yet, we know that with the new Bill, these benefits will not be paid from general funding, but from contributions. For the Minister's information, changes to the type of financing of a program amounting to $250 million are real changes indeed.

Therefore, in order to protect the integrity of this program, could the Minister assure the House that the Bill will be amended so that benefits will be paid from general funding?

Mrs. Vézina: Mr. Speaker, this so-call reform is really a redistribution of funds.

As I was saying earlier, when we compare our unemployment insurance scheme with those in all the other industrialized nations, we feel the need to make it more practical, more enhanced and more equitable. We have taken into account the special needs of fishermen and the redistribution of $1,3 billion will help provide social benefits, if we want to encourage the participation of

women in our society; we will also continue to support needy workers.

The unemployment insurance scheme will continue to be a safety net for workers looking for a job.

[*English*]

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, in the absence of the minister responsible for the status of women, my question is to the Deputy Prime Minister. It concerns Bill C–21, amendments to the Unemployment Insurance Act.

Will the Deputy Prime Minister tell the House why the government spends $8 million a year on three agencies to advise it on the status of women and then does not even ask those agencies how this legislation will affect the women of Canada? Did the minister and the government not ask because they do not want to hear the truth about women working 16 hours a day on the farms in B.C., working in the fish processing plants in Atlantic Canada, and immigrant women who are losing their jobs by the hundreds in the garment industry in Toronto? Or is it because they already know the answer, that this legislation will drive women and their families further into poverty?

[*Translation*]

Mrs. Vézina: Mr. Speaker, as a woman in this Government and a member of Cabinet, I must tell you that I am proud to be a woman because our Government has done the most to improve the status of Canadian women.

Some Hon. Members: Hear, hear.

Mrs. Vézina: We have implemented an employment strategy that takes account of women's needs, whether they are immigrants, young or old. We have implemented social equity measures and federal contract programs, to name only these, that take account of women's needs. Unemployment insurance reform is a very specific way of doing so, since as we say, the cornerstone of success is training, and women will of course have their program.

[*English*]

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, as a matter of fact we checked on that information with all three organizations and none of them had been consulted to date. I do not know how the minister gets her information.

I have a supplementary question to the same minister on the changes to the UI Act. Bill C–21 will substantially alter the character and the mandate of the act as the government withdraws its $2.9 billion, cuts hard–earned benefits to the unemployed and increases unilaterally, I might add, to 15 per cent, or $1.8 billion, the amount from UI to be used for developmental purposes rather than for income maintenance as constitutionally required.

Will the minister make a commitment to this House that the insurance premium funds, now over 50 per cent of all moneys available for training, will not be used to further scale down the government's contributions to training on the Canadian Jobs Strategy, from which the government has already withdrawn $700 million since 1984?

[*Translation*]

Mrs. Vézina: Mr. Speaker, did I understand correctly? Is the Hon. Member asking us not to use the reallocated funds for training, when statistics show us that 30 per cent of workers must be retrained to meet the new requirements? That is the purpose of unemployment insurance reform: to ensure that workers are ready to face the new requirements of the year 2000, whether they are young or old, men or women.

* * *

• (1150)

[*English*]

PROPOSED GOODS AND SERVICES ACT

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is for the Minister of Finance. I noticed yesterday when I spoke to his old friend, Laurent Thibeault from the Canadian Manufacturers' Association, that Mr. Thibeault is now starting a national propaganda campaign to try to sell the GST to the Canadian people. We also found out that the Minister of Finance is co–operating with him by sending officials around to his meetings.

In light of the fact that the Manufacturers' Association and big business spent millions of dollars over the last couple of years trying to sell free trade and save this government's neck, I want to know why this minister now is spending taxpayers' money to try to sell a deal to the Canadian people that the Canadian people don't want.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, this is an astounding statement. We in the Department of Finance have made an offer to any organization holding workshops or other informational sessions on the GST, whether it is workshops by industry organizations, by labour organizations, by social organizations or any type of organization. If they want to have some resource people from the Department of Finance to help explain to their membership what the GST is, how it can affect them, what impact it may have on various aspects of their operations, officials will be made available to those organization.

To call an attempt by an industry association to explain a government policy to their organization a propaganda policy or a national propaganda campaign is absolutely outstanding—I mean astounding. The rhetoric that the hon. member is using to describe these things is just unbelievable.

Mr. Nystrom: Mr. Speaker, I think outstanding is probably correct. Maybe he should talk to Mr. Thibeault, his friend, because it was Mr. Thibeault who was telling the committee that they are launching this publicity campaign to sell this idea to the Canadian people. It is not Lorne Nystrom saying that, it is Mr. Thibeault.

I want to know whether the minister can tell us today the extent of the commitment made by the Conservative Party in terms of taxpayers' money and the extent to which officials and bureaucrats are going across this country to sell this idea to the Canadian people. I want to know how much that is going to cost. I want to know the nature of the commitment, and I can tell you, Mr. Speaker, so do the people of this country.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, let me quote Mr. Pinard, the chairman of the Canadian Manufacturers' Association. He said that this is necessary to educate the public, to advise the public, to inform the public, to tell Canadians the impact of this. But in particular, they believe that it is important for their managers as well as their employees, their workers, to understand how the goods and services tax benefits the manufacturing industry in Canada.

The manufacturing industry is an important part of our economy and certainly I do not think there should be any reason whatsoever to criticize the federal government for making officials available, as we will to any organization across the country if they want to take the initiative to advise their membership of the details of the goods and services tax proposal.

* * *

JUSTICE

Hon. John Bosley (Don Valley West): Mr. Speaker, I have a supplementary question to the Minister of Finance regarding the laundering of drug money. The impression has been left by his earlier answers that in fact the reason the U.S. Senate is refusing to ratify the treaty is Canada's failure to produce mandatory reporting limits. If that is in fact the case, members would be upset. I wonder whether the minister would clarify his earlier answer.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, following my previous response to the member for York Centre, and in particular his allegations that the reason why the United States has not ratified the Mutual Assistance Treaty is because we did not have the mandatory reporting requirements, I did check with my officials who have been directly responsible for these negotiations.

I am advised that the assertion of the hon. member is absolutely untrue and that the delay is not tied to anything that Canada is doing but is more related to problems in the relationship between Mexico and the United States. Once those are worked out I would hope that we would have ratification by both the United States and Canada. Certainly we are ready to ratify our treaty as quickly as we can.

* * *

PROPOSED GOODS AND SERVICES TAX

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, my question is directed to the minister who is supposedly responsible for tourist policies in this country. The provincial ministers of tourism are against this new GST tax, the Tourist Industry Association of Canada predicts at least 30,000 jobs lost, and once again the Conference Board of Canada warns us that the tourist industry is in serious decline.

If the minister is dedicated to his responsibility as Minister of Tourism, why did he let such disastrous proposals be put forward by this Conservative government?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, the hon. member quotes documents which are now out of date and are being changed. The conference board study was based upon assumptions which have since been changed. The hon. member should understand that from day one I have been working with the Minister of Finance to get important features put into the GST to help the tourism industry.

I remind him what they are. The first and most important is that accommodation of foreign tourists in Canada will be exempt from the tax. I do not know of any jurisdiction that has a VAT that gives such a privilege to the tourist industry. Number two, goods purchased by tourists in Canada will also be exempt from the tax. Number three, transportation into the country will be exempt from the tax.

There are a whole series of constructive proposals that the tourist association has brought forward and that I have brought to the Minister of Finance. These will be put in place. We are working with them to bring more constructive proposals forward as well to help make the tax work in a way which will not be administratively burdensome for the industry.

Mr. Assad: Mr. Speaker, I notice that he did not give the statistic that 80 per cent of the tourist activity in this country is by Canadians themselves.

[*Translation*]

The Conservative Government's repeated attacks on the tourism industry will lead to this industry's total destruction.

Does the Minister not realize that everyone around him, the provincial ministers, small businesses, the Conference Board of Canada again and the Tourism Industry Association of Canada are unanimous in saying that the new 9 per cent tax and the cuts to VIA Rail will destroy Canada's tourism infrastructure?

How can the Minister, as Minister of Tourism, knowing that the erosion of the tourism industry is directly due to his Government's misguided policies, remain in office, knowing that his decisions will destroy the tourism industry in this country?

[*English*]

Mr. Hockin: Mr. Speaker, one reason for remaining in this position is to continue my work with the tourism associations to bring them the kind of features they ask for under the GST. We have already accomplished a number and we will continue to work for others.

The hon. member's statistics are wrong. Tourism, up until the end of June, is up this year over the previous year. He is wrong on that. Second, he seems to be against us trying to entice non-Canadians to visit Canada. Canada, as an industry has enormous attractions. We have amenities, we have a culture, we have sightseeing, we have baseball teams, we have all sorts of attractions. Let's not abuse this industry, let's boost it.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: We will complete question period with one question from the Member for Bonavista—Trinity—Conception and one question from the member for Edmonton East.

* * *

CANADIAN ARMED FORCES

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, my question is to the Minister of National Defence. I have here a recent DND response to a question on the Order Paper which says that no socioeconomic impact studies were undertaken on communities for which base closures are planned and neither were there corresponding studies on the impact of military effectiveness.

Can the Minister of National Defence tell the house exactly how he assessed these factors in the case of CFB Summerside?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, in using the word "study" I suggest the hon. member is familiar with activities in the Department of National Defence. When he talks about socio-economic studies, we identified the payrolls that went into those communities, we identified the loss that would be taking place in those communities. We did not identify replacement opportunities or replacement economic activity. That is not the responsibility of the Department of National Defence.

• (1200)

I can suggest to him when he is saying that there was no study done on defence initiatives or defence efficiencies to the changes made in the defence bases and stations around Canada, he is totally inaccurate.

* * *

PROPOSED GOODS AND SERVICES TAX

Mr. Ross Harvey (Edmonton East): Mr. Speaker, my question is for the Deputy Prime Minister.
The goods and services tax will apply on sales of energy resources to Canadians but not on export sales of those energy resources to Americans. The Free Trade Agreement ensures Canadian energy resources must be sold to American buyers at market-determined prices equivalent to those charged Canadian buyers. In a nutshell, the double whammy of the FTA and GST will give American consumers a competitive advantage over our own Canadian energy resources.

My question to the Deputy Prime Minister is this: Is this another brainwave from the Fraser Institute, or did his boys across the way think this one up all by themselves?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the hon. member should study the GST proposal, and particularly as it relates to the energy sector, because in it the current manufacturers' sales tax that is in place is a direct cost of doing business .Under the GST the input tax credit will be applied. Any of the capital investments that are used for the extraction of energy or the exploitation of energy resources will have an input tax credit. So it puts the Canadian energy sector in a much more competitive position. The hon. member, as a critic, I understand, for energy, should recognize that and should applaud it.

* * *

PRIVILEGE

COMMENTS DURING QUESTION PERIOD

Mr. Deputy Speaker: The Chair has received notice of a question of privilege arising out of Question Period from the Hon. Member for York Centre.

Hon. Bob Kaplan (York Centre): Thank you, Mr. Speaker. Very briefly, during Question Period I asked a question of the Minister of Finance. In his answer he misrepresented a treaty we had which he claimed existed between Canada and the United States.

Subsequently, he rose and accused me of misrepresenting the circumstances under which the treaty was signed or not signed. I would like briefly, since there is an implication that I misled the House, to read into the record—

Mr. Deputy Speaker: The Chair would tend to believe this is a matter of debate rather than a question of privilege.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the government's response to petition No. 342-0751.

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

* * *

[*Translation*]

STRIKING COMMITTEE

TABLING OF THIRTEENTH REPORT

M. Jim Hawkes (Calgary West): Mr. Speaker, I have the honour of tabling the Thirteenth Report of the Striking Committee.

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

* * *

[*English*]

PETITIONS

VIA RAIL

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I am pleased to present today yet another petition signed by residents of the area around Kingston who are protesting the closure or threatened closure of VIA Rail, and call upon Parliament and the government not to cancel in whole or in part VIA Rail passenger rail service in Canada. The petition has been certified to be in order by the Clerk of Petitions and contains 56 signatures.

Mr. Ross Harvey (Edmonton East): Mr. Speaker, again I rise, as I have the last several days, under Standing Order 36 to present a petition to this House, certified correct by the Clerk of Petitions, from a number of Canadians who call on this government to maintain, improve and modernize VIA Rail service. Canadians, though not unanimous are very close to unanimous on this question. They wish their rail services maintained and upgraded, as is attested to in this petition.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I am very pleased to rise in the House again today to present a petition on behalf of 41 petitioners from the Kingston area of Ontario. These petitioners are very concerned about the cut-back in VIA rail, and ask the Government of Canada to consider very carefully the cancellation of either whole or part of the passenger rail service here in Canada.

LOW LEVEL FLIGHTS

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, it is my honour to present a petition from a number of citizens of Canada from New Brunswick, Newfoundland, Labrador and Toronto, who are concerned that the NATO-NORAD low-level flight training operating out of Goose Bay not only disrupts the lives of the people who have lived there for so many centuries but also endangers the peace in this era of negotiations.

Therefore, they ask the government to join with the Assembly of First Nations and the Innu of Labrador in demanding the government to end all NATO-NORAD low-level flight training in both Goose Bay and other parts of Canada, and to oppose the entry of NATO operations into Canada, including the proposed Goose Bay base and to redirect Canada's NATO and NORAD funding toward enabling Canada's aboriginal peoples to regain control of their lands and their livelihoods, promoting sustainable development for all Canadians.

PROPOSED GOODS AND SERVICES TAX

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I rise on behalf of Canadians who are concerned about their jobs, their futures, their communities, their children and their grandchildren for that matter. They are very concerned about the effect that the government's proposed goods and services tax is going to have on them and their futures.

Therefore, Mr. Speaker, pursuant to Standing Order 36, it is my duty to rise and present to you a petition duly certified by the Clerk. These Canadians humbly pray and call upon Parliament to reject the proposed goods and services tax.

VIA RAIL

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker. it is my honour and pleasure, pursuant to Standing Order 36, to present this petition that has been certified by the Clerk. It relates to VIA Rail and the abandonment of a mode of transportation in this country that is very important to all Canadians and a necessity. Considering the fact that environmental situations in this country are getting worse every day, we need the type of transportation that will not pollute our air and our country for future generations of Canadians.

There are so many individuals who have continued to send us petitions that I find it very difficult to believe that the government would even attempt to remove this service when fully 80 per cent of Canadians feel that this is a tragic situation and that it should be stopped immediately.

PROPOSED GOODS AND SERVICES TAX

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is indeed an honour for me to present a petition pursuant to Standing Order 36, which has been certified correct by the Clerk of Petitions, on behalf of literally thousands of citizens of Kamloops, British Columbia, who are concerned that the government's intention to proceed with a goods and services tax is a very unfair form of taxation because of its lack of regard for the taxpayers' ability to pay. They point out a whole host of reason why the government should reconsider this tax initiative.

VIA RAIL

Mr. Nelson A. Riis (Kamloops): On a second matter, Mr. Speaker, again pursuant to Standing Order 36, I present a petition on behalf of a number of citizens of Kamloops, British Columbia, who are asking the government to reconsider its decision to curtail VIA Rail service, particularly to the regions of Canada. They have noted, Mr. Speaker, what appears to be an enhancement of the service in the central corridor of the country at the expense of VIA Rail service in the regions of Canada and they feel that is certainly discriminatory.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have the honour and privilege to present a petition signed by 33 residents of the community of Atikokan in my riding. It is a VIA Rail petition. They are petitioning in support of a continuation of VIA Rail service.

What is interesting, Mr. Speaker, is that these people come from a community that lost its passenger rail service 10 years ago. They want to join in the fight to ensure that other Canadians do not suffer the same situation that occurred to them when they lost their passenger services.

• (1210)

They call on Parliament to maintain VIA Rail, Canada's present national network, to upgrade VIA Rail with new equipment and to give VIA Rail a sufficient budget to maintain its national mandate for passenger service.

PROPOSED GOODS AND SERVICES TAX

Mr. Stan Keyes (Hamilton West): Mr. Speaker, I have the honour and duty pursuant to Standing Order 36 to present to the House a petition on behalf of constituents in the riding of one of our hon. members.

Some Hon. Members: Oh, oh!

Mr. Keyes: I suppose the members opposite find this humourous, Mr. Speaker. But, of course, this is of utmost importance when we are talking about Canadians coming forward through their representative in the House of Commons and humbly praying and calling upon Parliament to reject the proposed goods and services tax.

VIA RAIL

Mr. Stan Keyes (Hamilton West): Mr. Speaker, I also have other petitions pursuant to Standing Order 36 that humbly call upon Parliament to urge the Government of Canada not to cancel in whole or in part national passenger rail service in this country.

MILITARY EXPORTS

Mr. Stan Keyes (Hamilton West): Also pursuant to Standing Order 36, Mr. Speaker, I have a petition signed by some 25 members of local churches, including the Westhill United Church in my riding of Hamilton West. They call upon the government to provide full disclosure of all Canadian military exports, including the type, producers, vendors, purchasers, transporters, as well as the immediate and final destinations of military exports to be printed in register form and available to the Canadian public upon request.

PROPOSED GOODS AND SERVICES TAX

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, it is my duty and honour pursuant to Standing Order 36 to present a number of petitions duly certified from constituents of my colleague, the hon. member for Windsor West, who wish to register their opposition to the goods and services tax, and who humbly call upon Parliament to reject this tax as it will do incalculable harm to Canadians.

Mrs. Diane Marleau (Sudbury): Mr. Speaker, I am today again tabling a petition which was gathered in my riding of Sudbury with the help of a large number of residents of my riding who are extremely worried about the effects of this tax on their lifestyle, on their living. They humbly ask the government to please consider Canadians because that is what we are here for. There is only one taxpayer at the bottom of the heap. He cannot keep paying more and more. So we have to reject this particular proposal for the goods and services tax and go back to the drawing–board.

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, it is my duty and an honour to present on behalf of several thousand British Columbians petitions which humbly petition this Parliament to formulate and legislate a law to protect life at conception, a law which seeks to save the life of both mother and child.

FORESTRY

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, I rise under the provisions of Standing Order 36. I am proud in so doing to present a petition on behalf of a number of residents of the province of British Columbia who, on the matter of the forestry ministry now before us, humbly pray that whereas the forests of Canada have been harvested and exploited for decades without sufficient replanting and regeneration having taken place; and whereas the need for regeneration of this precious resource has never been more paramount, they urge the federal government to implement a ministry of forestry that has a great deal more content and impact than does the proposal now before us, particularly with regard to the administration of FRDA agreements, their enhancement and their renewal with the provinces.

VIA RAIL

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I know we will have the support of the parliamentary secretary in signing that petition in urging the renewal of FRDA for B.C. I noticed the hon. member for Fraser Valley East is now endorsing our petition as well. The Tory caucus is finally coming on board with the new forest agreement for B.C. We appreciate that.

The petition I wish to table today relates to VIA Rail. Of course, it calls upon this government to ensure that we improve and modernize VIA Rail, not just in the heavily travelled Quebec City to Windsor corridor, which we support, but also to express concerns on the comments that the Minister of Transport made today about certain rail links in British Columbia. I think he is talking about our rail service. My constituents and constituents across this country are concerned about that.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, question No. 93 will be answered today.

[*Text*]

GOVERNMENT TESTING OF SUBSTANCES DEFINED AS TOXIC

Question No. 93—**Mr. Fulton:**

1. In the past five years has the government tested any imported substance for the presence of substances defined as toxic under the *Environmental Contaminants Act* or the *Canadian Environmental Protection Act* and, if so (a) on what date was each test conducted (b) what was the substance tested (c) for the presence of what toxic substances were tests conducted (d) what was the estimated cost of each test (e) were any toxic substances found (f) were any charges laid as a result of those tests?

2. In the past ten years has the government received any written or oral reports alleging that gasoline, oil or any petroleum product was contaminated with any substance defined as toxic under the *Environmental Contaminants Act* or the *Canadian Environmental Protection Act* and, if so (a) on what date was the report made (b) to which government department was it made?

3. In the past five years has the government conducted any tests on petroleum products for sale or in use in Canada for the presence of substances defined as toxic under the *Environmental Contaminants Act* or the *Canadian Environmental Protection Act* and, if so (a) on what date was each test conducted (b) what was the substance tested (c) for the presence of what toxic substances were tests conducted (d) what was the estimated cost of each test (e) were any toxic substances found (f) were any charges laid as a result of those tests?

Hon. Lucien Bouchard (Minister of the Environment): 1. The government has not tested imported substances for the presence of substances defined as toxic under the Environmental Contaminants Act (ECA) or the Canadian Environmental Protection Act (CEPA). However, the government has tested many imported products for substances defined as toxic under the ECA and CEPA.

(a)	(b)	(c)	(d)	(e)	(f)
April 1986	Electric space heaters	PCBs	$100/analysis	880 parts per million (ppm)	No–recall carried out
May 1986	Same	PCBs	Same	110–124 ppm	Same
May 1987	Capacitors in water pumps	PCBs	Same	No PCBs	No
October 1987	Paint pigments	PCBs	Same	Less than 3 ppm	No
May 1989	PCB–contaminated mineral oil transformers	PCBs	Same	699–733 ppm	Pending
1984	Aerosols	CFCs	$50/sample	CFCs present in 37 of 75 imported products tested	No–Imported aerosols not regulated
1987	Aerosols	CFCs	Same	CFCs present in 17 of 66 imported products tested	No

2. Yes.

a) Since the May 8 Globe and Mail article pertaining to the contaminated fuel issue, four oral and one written allegations have been received.

As well, several allegations related to leaded gasoline being sold as unleaded gasoline have been received over the past ten years.

b) The Department of the Environment

3. The concentration of lead in automotive gasoline is regulated under the Leaded Gasoline and the Lead-free Gasoline Regulations under CEPA. Before CEPA came into effect, these regulations were under the authority of the Clean Air Act.

Environment Canada's compliance monitoring program for these regulations involves extensive sampling and analysis of unleaded gasoline sold at retail service stations, and refinery production of leaded and unleaded gasoline.

(a)	(b)	(c)	(d)	(e)	(f)
1984	See #3	Lead in Automotive Gasoline	$5/analysis	2229 tests 62 incidences of lead levels above allowed limits	None*
1985	Same	Same	Same	1938 tests 33 incidences of lead levels above allowed limits	None *
1986	Same	Same	Same	2526 tests 43 incidences of lead levels above allowed limits	None *
1987	Same	Same	Same	2587 tests 77 incidences of lead levels above allowed limits	None *
1988	Same	Same	Same	1619 tests 7 incidences of lead levels above allowed limits	None *

*The incidences of gasoline with lead levels above the allowable limits occurred with unleaded gasoline sampled at retail service stations. The samples were contaminated with lead at levels only nominally over the allowed limit of 13 milligrams of lead per litre. At these lead levels, there is little risk of damage to catalytic converters on cars. In all cases, the retail outlets were instructed to stop sales of the contaminated gasoline, remove it and re-supply new gasoline verified for lead content.

[*English*]

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

Mr. Deputy Speaker: The question as enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOUVERNEMENT ORDERS

[*Translation*]

DEPARTMENT OF FORESTRY

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mulroney that Bill C-29, an Act to establish the Department of Forestry, to amend the Forestry Development and Research Act and to make related amendments to other Acts, be read the second time and referred to a legislative committee.

Mr. Deputy Speaker: We shall now proceed to questions and comments following the speech by the Hon. Member for Edmonton East (Mr. Harvey). The Hon. Member for Champlain (Mr. Champagne), on questions and comments.

Mr. Champagne (Champlain): Mr. Speaker, I listened very carefully to what my NDP colleague from Edmonton East (Mr. Harvey) had to say. I have two comments on his speech. My first one is that the Hon. Member raised the possibility of referring the Bill to the Standing Committee. Mr. Speaker, the Government decided to refer the Bill to a legislative committee because obsiously the Government wants to observe the spirit of the McGrath reform. As you know, this reform makes it possible for Members to go to the legislative committee and consider the specific of a bill.

Second, Mr. Speaker, the legislative committee will consist only of individuals who are specifically interested in forestry. This is important because the Standing Committee covers both forestry and fisheries. We agreed that it would be better in this particular case to go to the legislative committee.

Mr. Speaker, the Hon. Member and several other Opposition Members mentioned figures that appear in the Estimates for the current year, saying that the ministry's budget had been cut. I may remind Hon. Members that what they saw in the Estimates of 1989-90 are figures that are incomplete, in that they represent —At this point, as you know, Mr. Speaker, the agreements are about to expire, and generally, the agreements are included in the various budgets. Six agreements out of ten are to be re-negotiated, while the other agreements will expire next year.

It is also a fact that the budgets are always lower when we get to the last year of a series of agreements. I think I should warn the Opposition that these figures does not necessarily reflect what future spending by the Department of Forestry will be and that because we will have a better idea when all the agreements have been renewed.

In concluding, Mr. Speaker, I would like to say that if we consider the Estimates that were tabled last February, it was said that for this year the Department would have a budget of $206 million with 1,226 person-years. Today, and this is the point I am trying to make, we are up to $211 million, with 1,328 person-years, which is more than for 1988-89. Mr. Speaker, I want to make sure all the Members are aware of this fact and are not too hasty in their judgments about the impact of current budgets on the future Department of Forestry.

[*English*]

Mr. Arseneault: Mr. Speaker, under questions and comments, I just want to make a few comments.

The parliamentary secretary has made some comments which I think it would be wise for us to put in the proper perspective.

What we are trying to do is help the minister of forestry by giving him a little more authority. We are arguing that we want the minister of forestry to have more authority, more money and more personnel in his department. There is nothing wrong with that. That is what we are in favour of.

• (1220)

The other thing he mentioned is that the agreements have expired and none of that money is in the forestry budget yet and that is why the budget looks a little lower. Let me tell you that the budgets for the forestry agreements are not going to be found in the forestry department. They are going to be under the control of other ministries. That is what we are worried about. We would like to see all of the budget money into the forestry department. There is no doubt about it.

Let me assure you and the hon. parliamentary secretary that we are in favour of a full-fledged forestry department. We are very pleased that we are going to have one. However, we would like it to be much stronger than that. Maybe the member for Edmonton East would like to comment on that aspect as well.

Mr. Harvey (Edmonton East): Mr. Speaker, to return to the remarks of the hon. parliamentary secretary, he suggested that the reference of the bill to a legislative committee was superior in this instance to the reference of the bill to the standing committee because the standing committee includes within its mandate the responsibility for fisheries.

This is, I will grant him, a colourful argument, but I do not know if it is quite to the point. Because the committee's mandate includes fisheries does not require it as a committee to include the question of fisheries in all of the business it does, just as the Standing Committee on Energy, Mines and Resources is quite competent to consider matters dealing only with Canada's energy resources—and, in fact, we did so earlier this week when we had the National Energy Board before us—to the complete exclusion of questions of, for example, mines. I do not recall one single question being put to the NEB regarding mines.

Therefore, it is possible for the Standing Committee on Forestry and Fisheries to, for the purpose of studying this bill, concern itself solely with fisheries. For example, if the Canadian Institute of Forestry was to appear before that committee, I feel very confident in saying that it would be most unlikely that any member of that committee would put to that institute a question regarding fisheries.

The argument that the bill must be referred to the legislative committee as opposed to the standing committee I do not think has yet been unassailably made.

The question of the budget figures, and the contention that the figures are incomplete because we are at the end of a period during which several agreements are expiring, is an interesting rhetorical point to which I will respond. Surely, it is up to the ministry to place before this House estimates of its expenditures as complete as they can possibly make them.

If they are intending to sign agreements this year, and if in consequence of those agreements the ministry is intending to spend money then, by heaven, estimates for that expenditure ought to be included in the budgetary estimates presented to this House. Those estimates are the only documents we have to go on. If they are not including expenditures that they fully expect to undertake in those estimates, then they are to that degree at least misleading this House. I leave that to them.

[*Translation*]

Mr. Langlois: Mr. Speaker, in response to the points made by the Hon. Member for Edmonton East (Mr. Harvey), I may recall that referring the Bill to the legislative committee will give Members with a special interest in forestry a chance to work on the Bill and thus make a contribution that will be far more useful than if the Bill was referred to the Standing Committee on Forestry and Fisheries.

I may also remind the Hon. Member that I listened carefully to his speech, and that after he mentioned at the beginning of his speech that he felt the Government wanted to expedite passage of the Bill, I was surprised when I heard him say later that he would have preferred to see the Bill referred for consideration to the Standing Committee on Forestry and Fisheries, in order to slow down the process.

I can inform the Hon. Member that my riding, Manicouagan, has a large number of forestry operations. It is a riding that needs dynamic policies for reforestation, a riding that needs research and development, and I would be very disappointed if the Bill were not given speedy consideration by the legislative committee and the House of Commons.

Throughout his speech, the Hon. Member mentioned a series of factors, events and situations which in my view confirm that this Bill should be passed as soon as possible. He referred to the situation at the paper mills. He mentioned clearcutting and referred to air pollution, acid rain and contaminated effluents.

Mr. Speaker, I think all these factors argue in favour of getting Bill C–29 as quickly as possible through the legislative committee so that it can then be referred back to the House of Commons.

[*English*]

Mr. Harvey (Edmonton East): Mr. Speaker, again, I would just briefly note that the government's new found concern for expeditious treatment of this bill is welcome on this side of the assembly. We only ask where they were from 1984 until 1989.

I would say as well that we have no objection to the bill going to the legislative committee on the assumption that that committee will hear witnesses on the bill. We consider that to be a virtually minimal demand in this regard. So, if you are going to refer it to the legislative committee, fine, go ahead, but please hear witnesses.

Mr. Dave Worthy (Cariboo—Chilcotin: Mr. Speaker, I am pleased to rise to support Bill C–29. In fact, I am very proud to be able to participate in the legislation that will finally create a full department of forestry for Canada. As a Canadian, I applaud this far–sighted legislation. But this legislation is also important to me as a British Columbian. It is no exaggeration to state that it could be vital to the future well–being of both my province as well as Canada.

Forestry, as we know, has been de–emphasized by previous governments. It is an attitude that is strange to me. It is a strange approach to an industry which is the largest in Canada. It is number one in our exports. It is an industry that is in a position to help meet the ever–growing demands for forest products in the world.

Fortunately, Mr. Speaker, the present government has moved decisively to support the forest sector. Now with this bill a full federal forestry department will be created, and will provide national leadership in generating and applying forest and forest resource policies. Its initiatives and programs will support the government's commitment to environmentally sustainable economic development. It will make forestry agreements with individuals, organizations as well as other governments. It will conduct and promote research and development in the forestry sector.

If anyone still wonders about the need for national leadership in the forestry sector, I would like to take a few minutes to just briefly outline the magnitude of the forest products industry in Canada.

Over $40 billion of product is produced by the forest industry. There are over $20 billion worth of exports. As I said earlier, it is the largest exporter in Canada. In fact, Canada is the world's largest exporter of forest products. We see that British Columbia probably produces close to half of the products in lumber. But if you look at the total forest products industry across Canada, you will see that Ontario has 212,000 people working in forestry. Quebec has 230,000 people, more than in British Columbia. In British Columbia we have 216,000 people working in the forest industry. Atlantic Canada which needs the work that the forest industry can provide, currently has

66,000 people employed in the forest industry. Across the prairies there are 46,000 people employed.

One thing we have to understand when we talk about forestry in Canada is that very few of our forest lands are, in fact, controlled by the federal government. It is the provinces that control the forest lands. There is a need for this government to provide leadership, but it has to be done in a co-operative manner. It is this government over the last five years that has shown the initiative to initiate that leadership and the mood of co-operation that is essential.

• (1230)

It is far more than what we have done and are doing in terms of jobs. This is an industry for the future. It is for that reason that I feel it is imperative that this new forestry department is in a position to provide the leadership and the co-operative approach to develop our future.

When speaking to this bill everyone in the House has acknowledged this government and its initiation of the FRDA projects across Canada which have been universally acceptable. They are considered by all Canadians to have finally put the emphasis in forestry where it should be. That has been done in co-operation with the provinces.

Many people have said that the FRDA projects are replacing forests that have been taken by industry. That is really not how we have used these FRDA dollars. I would like to emphasize that there are many things that can impact our forest land. There are natural growth stands that are too thick and therefore produce crops that are unhealthy and do not have good trees. We have lands destroyed by forest fires that have not naturally regenerated. In many parts of Canada thousands of acres have been hit with the blight of various diseases that affect our trees. It is these areas of Canada, insufficiently restocked areas of our forest lands, that the FRDA projects have been attacking over the past four years.

It is in fact to the future that we should look with these. We could double the volume of logs now brought in to the forest industry if we properly farm our forests. If we do the thinning, natural fertilizing, and the proper processing of those forests, we can double the amount of fibre that we take off those lands. We also have the capacity to use the wood that is now considered waste.

For instance, 50 per cent of the wood that is brought into the sawmills is not utilized in forest products *per se*. It is either burnt or consumed as energy. All that 50 per cent waste is potentially usable fibre, and it is learning how to use that fibre that will create many of the jobs we require in the forest industry.

There are also many new products that this government can help ensure that get past the point of just talking about and that we actually get into the process of producing and exporting.

There is another area I would like to mention. The environmental ramifications of the forest industry have been mentioned by many people. We cannot just log the forests. We have to do it in such a way that it meets the demands that we place on it for proper environmental use. It has to be done so that all the industries that want to share our forest resources are in a position to do so. Meeting that challenge and demand is going to be where this new department of forestry can paste its brightest star on the calendar board.

I know that many have criticized the budget. They say that the budget for the forestry is not sufficient, that we should be putting more money in it. We cannot just throw money at these problems. The Canadian public expects us to do more for less in this government.

We will do well to follow the example of many industries in Canada and the United States which have shown that the pursuit of excellence is possible and that we can in fact address and solve the problems exercising leadership and co-operation. Hopefully we will not have to go to the Canadian people for vast sums of money to achieve that.

In closing, I would like to say that this bill is about our commitment to a vital industry and it is about the commitment to the birthright of our future children.

Mr. Gardiner: Mr. Speaker, I would like to congratulate the member on his speech. He is a fellow British Columbian whose riding actually abuts mine. I certainly welcome his contributions.

I have a brief comment and a question or two for the member. The parliamentary secretary earlier in debate today made a comment that I would like some clarification from the member on, if he is able to give clarification. He stated that the legislation has to be passed before we can get on with the renewal of new forest agreements. I do not know if the parliamentary secretary is sure of that comment. As a government member from Cariboo—Chilcotin, perhaps the hon. member can give us some clarification. Clearly that has not been part of the discussion to date on renewed forest agreements. This is certainly the first comment we have heard that this legislation has to pass before any new forest agreements can be approved. It is those forest agreements that I would like to comment on and also ask a question.

The government members opposite and ourselves included have talked about the valuable contribution that these forest agreements have made to reforestation and intensive silviculture in all the provinces. Of course government members have lauded their support of those. We would be interested in their support in renewing these agreements. I remind the members that there are currently three forest agreements with Alberta, Saskatchewan and Manitoba that expired at the end of March, and there are ongoing discussions in B.C. about renewing our forest agreement.

In light of the fact that in the Western Diversification Fund available funds for new federal—provincial agreements have been identified at around $242 million, and in light of the fact that representations by the provinces and others on forestry agreements alone total nearly $400 million, I would like to ask the member if he can give us an idea, because the minister to date certainly has not nor has the finance minister, what the provinces might be able to expect in a renewed forest agreement and other economic agreements when in fact there is such a pittance in the Western Diversification Fund.

Mr. Worthy: Mr. Speaker, I am not privy to any more knowledge than the member for Prince George on the subject of FRDA. I know that they are in process. I personally feel that the formation of the full forestry department which will elevate the current Minister of State to full minister status will in fact put him in a position to influence from within the federal government and in that new position to have more impact with provincial forestry counterparts.

The expedient passage of this current bill and the formation of the full department will be a very positive step toward the new FRDAs. I really do appreciate that the member from Prince George is fully on board the train that was started by the Conservatives on these agreements.

• (1240)

I have heard him many times speak strongly for the FRDA programs that we now have and how essential the new ones will be. We do appreciate his support. It is continuing to be high priority on the government agenda, and I can assure the member that it is of extremely high priority on this member's agenda.

Ms. Copps: Mr. Speaker, my question deals very specifically with what is a blight on B.C.'s economic horizon, that is the fact that on an ongoing basis raw logs are being exported with no value added.

Raw logs have been exported from the coast of British Columbia in the following manner: in 1984, 12 per cent of the lumber output was raw logs with no value added; in 1985 it was almost 9 per cent; in 1986 it was almost 10 per cent; in 1987 it was 10 per cent; and in 1988 it was 9 per cent. Of course the member knows that exporting raw logs is exporting jobs from Canada.

I would like to know what specific provisions the new forestry minister will undertake to stop this blatant export of Canadian jobs at the expense of Canadian foresters.

Mr. Worthy: I can't speak for the minister, Mr. Speaker, nor will I attempt to, but I can explain a little about the export of raw logs which I do not support, either, under most circumstances.

There was very little exporting of logs from the Pacific coast until we hit the severe recession in the 1980s. At that time many of the loggers up the coast had no market for their logs. At that point the provincial government expanded on the permits to export.

Unfortunately those exports continued for some time. There have been many representations by myself as an individual, from some people in the industry, from the unions, and Jack Munro, the president of IWA, to that very point over the past year. In fact, the provincial government has made changes to its exporting. The exporting of those logs is being wound down and now only special circumstance type logs that we cannot take advantage of in our markets will be exported in the years to come.

Mr. Len Hopkins (Renfrew—Pembroke—Nipissing): Mr. Speaker, in rising today to speak on Bill C-29, the organization bill for a new forestry department in Canada, I must say that I am always appalled by the government doing something such as this, which is a tremendous idea that we support but putting no money where its mouth is to do the job. To do something without a financial commitment on the part of the government is wrong.

This government can put money into a new forestry department and it is not throwing money to the winds, because we all know that with forestry being such a tremendously important industry to Canada that all Canadians will get their money back in the returns in future years.

If we do not have that commitment today to rebuild, to grow greater forests in this country, to replant lands that should never have been deforested in the first place, if we do not move out there and lay the groundwork for this tremendous industry in the next decades of Canadian economic life, then we are not going to have a solid a forestry business.

The lack of financial commitment to produce something that is going to bring great financial returns in the future is the wrong philosophy. I have heard members of the Conservative Party in this debate give us this age old slogan that they try to peddle across this country: "This government must do more with less".

The Canadian people out there are fully cognizant that this government's real idea is to do less for more. That is the whole scenario behind their tax grab and everything else that goes on around here. This business of telling the people of Canada that the government is going to do more with less is as phoney as a $3 bill. They are in fact doing less for more.

To give you an idea of what they are doing by way of less, Mr. Speaker, all we have to do is point to the devastation that the Minister for International Trade in 1986 did to the softwood lumber industry in this country. She signed the memorandum of understanding that allowed 15 per cent export tax to go on softwood lumber from this country into the United States.

Why did she do that? Members of the northern Ontario caucus, for one group, led by my distinguished seat-mate from Algoma, can certainly tell you what it meant. We travelled from sawmill to sawmill, from town to town, in northern Ontario in the month of February. Everywhere we went, industry and labour alike in small community Ontario were telling us that the Conservative government sold the softwood lumber industry down the drain in order to get their international free trade agreement.

It is true, because immediately after they signed the memorandum of understanding slapping the 15 per cent tax on softwood lumber going into the U.S., the U.S. signed because it wanted to protect its own manufacturers in the United States.

Can you imagine, Mr. Speaker, a government of Canada going around raving and saying what a great job we have done to sign a free trade agreement when in fact what we have is protectionism, protectionism by the United States, protectionism that was bought by the Conservative government on that late day of 1986 when it sold the softwood lumber industry down the drain and then the U.S. came forward and signed the free trade agreement after its own industry had been protected? Protectionism, Mr. Speaker, is not something you talk about in the same tone, in the same operation as you talk about free trade. Never. They are two absolutely opposite subjects.

Since then under this protection the Conservative government calls free trade the Americans have improved their sawmills. They go to the banks and get loans and they improve their manufacturing processes. Now they are filling the markets that have been traditionally filled by Canadian business over the years.

You can drive anywhere, Mr. Speaker, around the province of Ontario today and you see lumberyards filled more so than I have ever seen in all the years I have been in this House or when I was growing up in a rural area. It is there. It is a fact of life. People are being laid off, so let's not talk about this great positive thing that they are doing for the lumber industry in this country.

Yes, Mr. Speaker, we support the establishment of a forestry department in Canada, but we support one that is going to have some clout. This minister is not going to have any clout under this bill because he has to go to other ministers in cabinet to beg for his finances.

• (1250)

It is good to have our excellent forestry research institutions under this departmental roof. I know they are going to be very happy with that.

If we are going to make use of the tremendously positive work, the work that is being done for the future of this country by our forestry research institutions across Canada, then we have to do something out in the field to complement it. We have to grow trees. We have to have an over-all plan. This government has no plan whatsoever.

The first thing that should happen is a federal-provincial meeting of forestry and natural resources ministers across this country with the minister of forestry and the minister should have something to bargain with. He should not have to go to them with hat in hand when he is discussing the future of an important industry in this country. It is not as if we are putting money into something where there will not be any returns. If this government is so gung-ho about great private enterprise in this country, which it has echoed time and time again, why does it not put its money where its mouth is and have a plan to build up the forests in this country and do something?

We have here a very good statement from the Canadian Institute of Forestry, and this has been discussed on the floor of the House before. The Canadian Institute of Forestry would like the new department to have a clearly stated national responsibility, and that responsibility is not clearly stated. It does not have it. The institute wants federal leadership in forestry matters, research and technology transfer, forest resource development, federal-provincial agreements, forest resource data, industry marketing, trade and economics, international forestry—and I mentioned how important international forestry is—human resource, important employment and education programs, and public awareness.

The act should make provision for an interdepartmental committee on forestry so that Forestry Canada can provide federal leadership in the forestry sector. An interdepartmental committee is not new. We have had that before. Consideration should be given to the inclusion of parks, wildlife, lands, waters, surveying, mapping and management of federal forest lands within the mandate of the department. Those are just some of the ideas expressed for this bill.

I want to leave a very positive suggestion in closing my speech. There has to be co-ordination on the jurisdiction of natural resources in this country. I think this is going to be the grounds for a major constitutional discussion at the federal-provincial level in years to come, if we are going to have real co-ordination.

We have several counties in eastern Ontario: Renfrew, Hastings, Lanark, Frontenac, Victoria—Haliburton, Muskoka, Nipissing and others. This is one area where we could have a major reforestation program in these areas where trees must be grown. There is a great expanse of tremendous resource across northern Ontario where people depend upon it for their one community livelihoods. It is a matter of everyday bread and butter. That is the case in many small towns in eastern Ontario as well. So we have a great deal in common here, Mr. Speaker.

There is absolutely no reason why this federal minister cannot sit down with the provincial minister of natural resources and draw up a major plan that will plant trees across this province and across the country.

All this is very, very important to lay the groundwork for it and to show that we are serious about replanting lands that should be left in forestry to show that we are serious working with industry to replant trees that are cut. They will co-operate with on this because it is their future too.

Mr. Deputy Speaker: The hon. member's time has expired. Questions and comments.

[*Translation*]

Mr. Champagne (Champlain): Mr. Speaker, I listened to my colleague's speech with interest. He is concerned primarily about Canada's forestry policy. I would remind him that since 1984, our Government has emphasized silviculture in a remarkable way by increasing its budget over 300 per cent; this should reassure him. His province, Ontario, has been the main beneficiary.

Secondly, he was also concerned about what the Department's mandate might be. I would say it is to provide national leadership in terms of policy. I would reassure him, Mr. Speaker, that the new Department's mandate is to develop and coordinate forestry policies and programs at the national level, to do forestry research and development and encourage it as well, and to work closely with industry and the provincial and territorial agencies concerned in various areas related to the use and protection of forests.

Also, Mr. Speaker, the new Department will work closely with the other federal Departments interested in forests, including Environment Canada, External Affairs and the Department of Regional Industrial Expansion and Science and Technology.

In summary, Mr. Speaker, I think that this legislation is first and foremost intended to make this new Forestry Department a full-fledged department with a minister who will have a free hand to negotiate with the provinces and the other departments concerned for the enhancement of forestry, as we did throughout our last term in office and as we are prepared to do now with the new mandate.

[*English*]

Mr. Hopkins Mr. Speaker, I would like to point out that the work on silviculture that the hon. member mentioned is nothing new. That too has been going on for years in the very capable hands of the excellent research establishments that we have across this country.

I note too that you mention that the department's mandate would have the co-ordination of forestry programs. That is clearly understood. That is nothing new either. You say that they will work closely with other departments. I would hope so. They are going to have to depend on other departments for their financing because the government has failed to give the new department its own financing.

I would also like to ask the hon. member whether or not the present Conservative government will renegotiate the memorandum of understanding on softwood lumber that the Minister for International Trade signed on New Year's Eve of 1986. Will you go back to the drawing board, sit down with the United States, and negotiate your way out of that 15 per cent penalty that you have put on the softwood lumber industry in Canada?

That was a devastating move. It is still having its effect, because not only do they have to contend with paying 15 per cent tax to export the lumber to the U.S., but they also have to contend with higher interest rates in Canada, and there is no indication that they are going to go down, particularly with the introduction by this government of a 9 per cent sales tax that is inflationary.

At the time that that memorandum of understanding was signed in late 1986, the Canadian dollar was at about 71 cents exchange with the American currency, and today it is at about 83 cents, so the lumber industry has lost another 12 per cent right there on the exchange rates alone. What about the spokes in the wheel of progress? You are certainly going to clean the spokes out of the wheel. There is no question about that. I just wonder whether the government is prepared to sit down and negotiate its way out of that 15 per cent penalty that it put on the softwood lumber industry in Canada *vis-à-vis* the United States in order that the United States would then turn around and sign a free trade agreement and make the softwood lumber industry the goat of the free trade industry.

• (1300)

Ms. Sheila Copps (Hamilton East): Mr. Speaker, this summer I had a rare privilege and one which unfortunately is not accessible to every Canadian. I had an opportunity as a city person—my idea of a forest was a walk through Gage Park—to visit northern and western Canada through northern Alberta, the Northwest Territories and British Columbia and had a chance to see, first-hand, some of the beauty of our land and also to begin to understand the challenge that will face any government and any ministry of forestry.

I would like to begin by pointing out the basic concern that I have about this particular bill. First, we are calling it a ministry for forestry. Forestry implies that the function of the forest is to be simply certainly cut down, because forestry is the action of foresting lumber. If we called it simply the ministry of forests we would begin develop an understanding of how we have to treat our forests in a sustainable manner.

One of the things that awed me as I flew over various parts of British Columbia and had a chance to visit the Kutzamateen and to go to the Carmanah Valley was the sheer beauty, splendour and the age of some of our own forests. We have heard a lot of talk about the Amazonian rain forests and how Canadian and worldwide efforts are being made to save the Amazonian rain forests, but in

our own country there seems to be a lack of understanding of our own capacity to preserve old growth forests.

Let us examine this particular initiative of the government in establishing and putting some emphasis on our forests not only as a unique tool of economic opportunity but also as a unique reflection of our heritage and, I think, a symbol of what our country has been and could be in the future.

If we step back for a moment and begin to re-examine the basic premise of a ministry of forestry and start to integrate some of the findings and understandings that we drew from the United Nations Report on Our Common Future chaired by Madam Brundtland, one of the points made in that particular report and which was certainly re-emphasized in the Liberal Task Force Report on Forests released in March, 1989, is that if we do not properly husband our resources and if we do not properly manage our forests in a way that is sustainable for future generations, while we may be embroiled in short term arguments about the disposition of certain kinds of lumber, we will not have a sustainable resource for future generations.

I was very concerned when I read the bill to discover that there is no specific reference to sustainable development. There is no specific federal mandate on how we can maintain our forests and what percentage of our forests can be reasonably harvested in the short term to guarantee the economic prosperity that we care about, while at the same time making sure that we have a resource for future generations.

I do not see, for example, any discussion about the whole question of the shipping of raw logs. If I look at the report written by, among others, the Member for Kenora—Rainy River, one of our jobs as legislators is obviously to ensure the economic viability of our own communities which is very much dependent on the harvesting of our forests. At the same time we should ensure that our forests are harvested in a manner that is value added. That means jobs for Canadians.

I pointed out an example in my question to an hon. member from British Columbia of one way that is not happening. I sat in the office of the Haida people in the Queen Charlottes and watched two barges go by in the short space of about three or four hours. According to their estimates, they had approximately $1 million worth of logs in each of the barges.

I later had an opportunity to meet with representatives from the industry, including representatives from MacMillan Bloedel. I asked them how many raw logs were being exported from British Columbia. I was shocked recently when I got the actual figures for the industry as a whole along the coast, and specific figures relating to that particular company.

In 1988, post-recession; in 1987, post-recession; in 1986, 1985, 1984, and 1983, almost 10 per cent of the logs that were harvested in British Columbia have been sent offshore in raw form. What kind of government policy, whether it be federal or provincial, would permit the exporting of raw logs at a time when our own sawmills want to work? They wanted to add the value and they wanted to be able to sell a product that has a value added that means jobs for Canadians. The member for Kenora—Rainy River was just telling me about the situation in his own community where you have two operations, one on the Canadian side of the border, and one on the American side of the border. The harvesting is done in Canada, the pulp is ground in Canada and then it is sent off to the United States for processing.

If we are going to intelligently use our forests, then surely we should have a system in place to make sure that our yields can be sustained and to ensure that the value is added here in Canada for Canadian jobs, not shipped off to other countries where they can literally manufacture products from our woods and sell them back to us at 10 or 100 times the value of the original product.

That is what an intelligent forest policy should encompass, not simply the TFLs and not simply a licence for clear-cutting which is what has essentially been the case in federal and provincial legislation in the past. Certainly we need a renewal of FRDA agreements, but we need a renewal of FRDA agreements that takes into consideration the fact that our resources are becoming more limited.

I flew over vast regions of British Columbia. Canadians should have an opportunity to see this, by way of video. I am sure the same holds true for northern Ontario. I will be in Sault Ste Marie in a few days to find out. But when you are driving by and you see—

[*Translation*]

—the border, you see, there are tall trees, no problems, the only way you can really have a good idea of how badly depleted our forests are is to fly over the land. Unfortunately most Canadians never have the opportunity to see them from the air, they have to rely of figures released by the companies.

[*English*]

Look at Carmanah. Is it little wonder that Canadians get frustrated by some of our corporate policies when the decision whether or not to log the slopes leading into a forest that is actually older than many of the Amazon rain forests is made on a study done by the company wanting to log it? Is it any wonder that the public is a little skeptical? People are saying, "Step back. We want an independent analysis of what is sustainable. We want the national government of our country to have a policy with respect to forest management". It is not enough to say it is a provincial matter.

One of the major flaws in this bill is that there is no national mechanism for dispute resolutions. Whether you are looking at Carmanah or Tofino or logging prospects in northern Ontario, the issue of dispute settlement is going to be primordial to the success of any particular forest policy.

At the moment the federal government by way of this bill has completely abdicated any responsibility in that area.

• (1310)

We think on that particular issue we will be moving some very important amendments. We intend to make this a bill that respects the demands of the Brundtland Commission and respects what should be our common future.

[*Translation*]

Mr. Langlois: Mr. Speaker, I listened very closely to the remarks of the Hon. Member for Hamilton East (Ms. Copps) and I should like to remind her that cutting rights fall under exclusive provincial jurisdiction. The federal Government has nothing whatsoever to do with awarding and administering cutting rights, that is a provincial matter.

While I am at it I might draw her attention to clause 6 of the Bill under which the Minister is empowered to co-ordinate the development and implementation of forestry and forest resources policy, and of programs and practices established pursuant to that policy.

The Minister will also have authority to assist the development of Canadian scientific and technological capabilities in forest management. He will be responsible for promoting the development and application of forest management codes and standards, and he will have regard to the sustainable development of Canada's forest resources and the enhancement of the international competitiveness of the Canadian forest sector.

Mr. Speaker, I believe the Bill answers the concerns expressed by the Hon. Member for Hamilton East. I urge her to give her support so the legislative measure may be adopted as soon as possible, for everyone agrees that our country needs a Department of Forestry to ensure continued growth and sign agreements with the provinces so as to exploit the full potential of our forest industry.

Ms. Copps: Mr. Speaker, it is ages ago since people used to say that PCBs, too, fell under provincial jurisdiction.

I think that what the Canadian people are now saying to all political parties is that our forests and all our resources come under federal jurisdiction wherever national interest must be protected.

Mr. Speaker, I take issue with the Prime Minister's (Mr. Mulroney) claim that Mrs. Brundtland supported him when he got an award in Washington for his environmental plan.

If Canada wants an environmental plan, we should, as the Brundtland report suggests, set aside 12 per cent of our forests and natural land for the enjoyment of future generations.

If we maintain that the implementation of forestry policy is strictly a provincial matter it follows that we refuse to assume our national responsibilities with regard to our children. I emphasize that point, and the Minister must agree with me to a certain extent, otherwise he would not have created a Department of Forestry. But, since he has done so, I urge him to ensure that every decision is made on the basis of sustainable development, which is not mentioned in the Bill as it now stands, and to set a course for Canada. It is the politicians who are dragging their feet on that issue.

[*English*]

Mr. Hopkins: Mr. Speaker, in the discussion relative to stumpage fees and the claim that this has nothing to do with the federal government, I wonder if the hon. member for Hamilton East could comment on this question. The Conservative Government of Canada put much emphasis on listening to the United States' complaint about low stumpage fees in Canada and that resulted in the Minister for International Trade of the day signing the memorandum of understanding that penalized the Canadian softwood lumber industry by a 15 per cent tax before going into the United States.

Then the Conservative Government threw that into the hands of the provinces and the provinces had to negotiate their way out by going to Ottawa and trying to get separate agreements. When they raise their stumpage fees the Americans relieve them of that portion of the 15 per cent. Yet we hear from the federal government that stumpage fees have nothing to do with it. If they have nothing to do with the federal government then why did it throw this mess at the provinces on the eve of signing the free trade agreement with the United States? There seems to be quite a diabolical change here.

Ms. Copps: Mr. Speaker, I think you can find the answer to that question in the Liberal task force on forestry policy, which I think is required reading for anyone who is interested in developing an intelligent forest policy in this country.

If you look at the actual cost to Canadians per thousand board foot, the loss to Canadians as a result of that FTA-provoked excise tax which we inflicted upon ourselves in typical Conservative fashion, bowing down as we have before the Americans at any opportunity, is actually costing our Canadian workers $71.59 per thousand board foot in lost revenue as a direct result of the FTA-provoked excise tax which was imposed.

That is one of the reasons there are sawmills in northern Ontario that are closed at the moment and one of the reasons that we think an intelligent forest policy would be introduced by a Liberal government.

Mr. Peter L. McCreath (South Shore): Mr. Speaker, it is a pleasure to have an opportunity to participate in this debate, because I feel that this initiative of creating a new forestry department is an extremely important one to Canada. There is no industry more important to Canada than the forest products industry and it is a particularly important industry to the Province of Nova Scotia and, indeed, to my own South Shore riding where we have major participation in the forest industry. I have spoken on many occasions about the importance of our Christmas tree industry. I would take this opportunity to again remind and urge all Canadians that one way to support our forest products industry is to use real Christmas trees as opposed to artificial ones. Real Christmas trees and the best ones, I might say, come from the Queens and Lunenburg Counties of Nova Scotia.

In our area we also have a great deal of other types of forest products industries. We have several sawmills, literally thousands and thousands of acres of woodlots, and we have two major forest products plants. We have the Canexel plant in East River which produces a hardboard used for walls and doors and various other things. We have the very important Bowater Mersey plant which I might say is this year celebrating its 60th anniversary of 60 years service to the people not only of Liverpool and Queens County, but indeed the people of Nova Scotia and Canada. That very important company which produces about 240,000 tonnes of newsprint a year is an important industry in our area. It clearly establishes, along with the other things I have mentioned, the importance of the forest products industry to us.

Therefore, I think it is a very insightful, forward looking, and a very wise move that the government has taken with this initiative of creating a new forestry department. It goes hand in hand with the recent announcements by the minister responsible for the Atlantic Canada Opportunities Agency that a new regional development umbrella agreement has been signed with the Province of Nova Scotia. This agreement includes a $45 million two-year forestry agreement. I might say that is not only a priority of the government of Canada, but a priority recognized by the province of Nova Scotia and the province of New Brunswick some months earlier.

The details and application of the new Forestry Resource Development Agreement will be worked out between the proposed forestry department and the province. It will extend activities funded under the previous agreement. It will increase funding for research and development as well as marketing initiatives. Under the two-year agreement $22.5 million will be spent annually in Nova Scotia for forestry. As a result of this agreement, the forest sector in our province will be better able to meet future market challenges.

We have all heard about the forest sector's overwhelming importance to Canada's economy as a whole. We know that global demands for forest products will grow in the 21st century. Clear-headed Canadians see the opportunities afforded by the Canada—U.S. Free Trade Agreement. Right across Canada, forest industries will have secure access to the whole North American market.

This bill is about tomorrow. It is about the environmental economic well-being of our children and their children's children. These are not responsibilities that we in this House can take lightly. These are major challenges. They must be faced resolutely. Canadians expect no less. If generations yet unborn could speak, they would tell us to act now and in the manner that we are. That is why the government of Canada is honouring its commitment to establish a true federal department of forestry. It is determined to take this first step toward economic development based on environmentally rational policies. Let no one doubt the government's resolve.

In Canada's forest sector, economic progress will be coupled with sensible resource husbandry. Bill C-29 is the first step toward true national leadership for Canada's forest sector.

Some hon. members say that they are concerned about the perceived reductions in the present Minister of State's budget. The operative word here is "perceived". Such concerns flow from an examination of last February's Main Estimates. They provide an incomplete picture. In fiscal year 1988-89 the Main Estimates show $234.8 million for forestry Canada and 1,281 person years. In the present fiscal year the figures are $206 million and 1,226 person years.

• (1320)

However, other factors must be considered. As needs become known adjustments will be made through Supplementary Estimates voted by the House. Already the original $206 million for forestry Canada has risen to $211 million. The original 1,226 person years mentioned in the Main Estimates have become 1,328, an increase of 47 over the previous year. Our approach is gradual and rational.

This year most Forest Resource Development Agreements are running out. Some have expired. The sum set aside at the beginning of the fiscal year do not reflect what will be spent after new agreements are negotiated. Often when agreements are ending, major spending has been completed. What kind of managers would we be if we allocated huge sums to undertakings that are winding down? Why would we earmark billions of dollars to expired agreements without knowing future spending requirements? That is not how Canadians want us to manage their economy.

It has been suggested that the new department will not control its own budget because over-all amounts for forestry are set in umbrella regional development agreements. These are reached by the Department of Industry, Science and Technology for Ontario and Quebec, by Western Economic Diversification for western Canada and the Atlantic Canada Opportunities Agency for Atlantic Canada. That is how regional development funds are initially committed. To suggest that there is something strange in this approach is, quite frankly, strange itself. The new federal department of forestry will have exclusive responsibility for negotiating the terms and application of each federal-provincial forest agreement. The proposed department and the agreements it will administer are an important first step. The new agreements will mark the real transition to intensive management of Canada's forests.

The new department will confirm national forestry leadership. I am not talking about national leadership through attempts through jurisdictional power grabs. The provinces own the resource. Forestry is a provincial responsibility.

We propose methods that will allow each province to use its forest sector efficiently. What we seek is co-operation that will benefit Canada's forest sector through policies of environmentally sustainable economic development. What we offer is support that will pinpoint the right products for a highly competitive and constantly

shifting international market. What we are building is partnership with the provinces and the industry to do two things: one, base all forest sector progress on a national commitment to sustainable development; two, ensure that governments and industry make the right market decisions. That is how we will remain the world's top exporter of forest products. That is how we will create hundreds of thousands of new jobs for Canadians.

The new department will do this by carrying out the mandates it has been given by the legislation. These mandates are to expand forestry research, promote development of national goals, offer policies of forest conservation and generate federal-provincial co-operation of forestry. Last but not least, one of the new department's mandates is educational. It will inform the public so that Canadians will demand integrated and balanced forest management of the highest order.

Other nations' experiences have shown that this approach will protect our wilderness heritage and it will do this while allowing us to realize higher yields and earnings from renewable resources. Here I want to stress the importance of the emphasis on research. Research will show us the best way to couple sustained development policies to market demands. Research will also ensure that our industry provides the products which the market seeks. That is why research is one of the principle objectives of this bill.

If we act sensibly and quickly we will create thousands of new jobs through expanded markets and intensive forest management. The new department will be a centre of excellence from which the Government of Canada can reach out to the provinces and the industry. By doing so it will serve the common good.

Bill C-29 lays the foundation for a national approach that will allow Canada's forest sector to provide prosperity rooted in policies of sustainable development. This legislation reflects the government's determination to manage change so that Canadians can meet the challenges of the future while deriving maximum benefit from the opportunities it offers. That is why the government is so deeply committed to this legislation, that is why I support it, that is why it is an excellent idea, and that is why I encourage all members of the House to support it.

Mr. Nault: Mr. Speaker, I must say that was a real barn-burning speech we heard. I would like to commend the—

Mr. Gardiner: At least he's not burning Christmas trees right now!

Mr. Nault: The member seems to come from an area which is similar to mine but, he must admit, a lot smaller in size. I suggest to the whole House that I am sure he understands the importance of the forestry industry.

Therefore, I would like to ask him a specific question which is very important to me and to areas that do have a large amount of trees. It relates to the 15 per cent export tax that was imposed, and there is now a memorandum of understanding put right in the free trade agreement. Does the member feel that that is to the benefit of producers and to those who are in the forest industry at this time, that they have this export tax put on them by the government? Does the member feel there should be a discussion by those individuals on the other side to remove this 15 per cent export tax before—as has happened in northern Ontario where 900 jobs have been lost already, it is possible that in his location, even though it is a bit smaller with not as many trees—he will start having unemployment situations as we have.

Currently we have 30 communities in northern Ontario that rely solely on forestry. We look very strongly to the leadership of the gentleman I am speaking of to try to help us to educate the government side on the importance of removing that 15 per cent export tax. I look forward to his intervention on this matter.

Mr. McCreath: Mr. Speaker, I welcome the opportunity to respond to the issues raised by my colleague opposite, although I must comment on his remark about the size of our province. We have always, as you know, specialized in quality and produce nothing but the best in the maritimes. That applies, I might say, to our Christmas trees. I am sure you know that over 50 per cent of the Christmas trees that are exported from Canada come from Nova Scotia. They generate $30 million in revenue and that is very beneficial. We do know a little bit about countervails because we had a little problem in one situation ourselves which, fortunately, this government had the wisdom to deal with in a manner that best served our industry.

I cannot profess to having great expertise on the issue you raised because, of course, it doesn't apply in the maritimes. I do recall at the time, however, that it was something requested by the industry and the provinces involved.

It relates to trade with the United States and one of the things that our forest products industries are benefiting from, as will other resource sectors—including the fishery which is critically important in my own area—is the access that that agreement gives us to the American market. In the long run I don't think there is any question that the forest industries are going to be the over-all beneficiaries from the free trade agreement. Therefore, we supported it wholeheartedly in our area.

Mr. Gardiner: Mr. Speaker, the hon. member's very good interventions in this House on Christmas trees are appreciated. He will know on the softwood lumber tariff that the Minister of State for Forests himself has admitted that it has been a bad deal for this country and that we are working to change it. It is something of course that the government did negotiate.

My question to the member concerns his comments about the importance of the forest agreements with which we agree, on some of the concepts of sustainable development. One of the rules in the Brundtland Commission on sustainable development is access to information so that legislators and other people are able to make the correct decisions on forestry. In this case the minister and the government have refused to let the forestry committee know what the criteria are for some of the new forest agreements, particularly in western Canada.

I wonder if the member supports the view that that information should be withheld from the forestry committee or does he share our view that we should be told what the federal government is looking at in these new forest agreements?

Mr. McCreath: Mr. Speaker, I am not entirely sure what it has to do with the matter before the House at this time, which is the creation of a new forestry department. I am sure my hon. friend is aware of the fact that co-operative agreements are negotiated between the ministers I mentioned in my speech and the various provinces involved and that within those agreements there is an allocation as to where those funds go. The various departments such as the forestry department become involved in negotiating directly the details of how that agreement will work in the particular jurisdiction involved so that both federal and provincial priorities are recognized, and it works to the benefit of all.

• (1330)

As a member of the Standing Committee on Fisheries and Forestry I would hope that in due course we get this important legislation through the House, and I think we should remember that that is the priority. It is my hope that this bill will achieve second reading today. One of the things that I would hope would happen soon after that is that the Standing Committee on Fisheries and Forestry would have an opportunity to take a look at the role of this department and to assist the minister and the government in seeing that that department is used to the best advantage of the forest industry and indeed for generations of Canadians to come.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, if the hon. member who just spoke had kept on, there is no way that this bill would get passed today or even in the next session.

I want to open my remarks by referring to the Minister of State for Forestry. I appreciated his comments a few days ago when he was talking about this legislation, a bill to establish a department of forestry, to amend the Forestry Development and Research Act and to make related amendments to the other acts that affect the strongest industry in this country.

Before making those comments I would refer to the members from British Columbia who are in the House and are concerned about this industry as I am sure are my colleagues from northwestern Ontario and all parts of northern Ontario. A remark was made by my friend and colleague from Hamilton East just a short while ago with respect to the shipment of these magnificent trees from the west coast of the province of British Columbia to the Pacific Rim countries. There is a comment that goes around in our area. We say that you could almost walk to any Pacific Rim country, if you wanted to, across the Pacific Ocean by just walking on the barges that are carrying our natural resources in their raw state to these Pacific Rim countries that take our raw material, produce goods and products and then send them back to Canada to compete with products that we make, including pulp and paper and wood, right here in Canada.

We have to have respect and appreciation for this natural resource. One of the fundamental problems that we have in northern Ontario is to secure the quality of trees for production purposes that the province of British Columbia seems to be shipping out in its raw state without adding any value to it. That in itself is not acceptable, and I am glad, as I said, that we have representation from the province of British Columbia here, and hopefully those representatives will be able to correct that terrible situation.

I paid special attention to the minister's remarks about how vital the forestry industry is to us. The establishment of a department of forestry is a positive step not only for northern Ontario but for all of Canada. As a member of Parliament for a northern Ontario riding, I agree fully with the minister's words relating to the importance of forestry.

The Canadian forestry industry is important to Canada. It provides employment for 8 per cent of our Canadian labour force. It supports 900,000 forestry manufacturing and service jobs. In 1988, forest land yielded more than $30 billion in the value of goods shipped from Canada. One out of every seven manufacturing dollars in Canada is related directly to the forestry industry. The forest sector contributes more than $17 billion to Canada's net trade balance, and this exceeds the net trade balance from agriculture, fisheries and mining combined. Forest products account for close to $25 billion in trade within our country alone.

Forestry is the largest industry in Canada. It is larger than the automobile and petroleum sectors. Forestry is Canada's number one industry and this industry must be recognized. This must dictate our approach to this very valuable industry to Canada.

When I talk to my friends in the forestry industry, particularly the past president of the Canadian Institute of Forestry, Dr. James Kyle who is also a forestry teacher at Lakehead University, I say that those statistics with respect to the forest industry in Canada are perhaps the best kept secrets in our whole country. The forestry industry is indeed the largest single industry in Canada and contributes more to our economy than any other single industry. Unfortunately, the forestry industry does not tell us this story as it should.

Mr. Flis: The government doesn't know it.

Mr. Comuzzi It looks like the government doesn't know it. I tell my friends in the forestry industry in jest that perhaps those people who administer the forestry section could best serve by administering the secret service, and that way we will have complete secrecy with respect to that department.

Despite the forest industry's contribution to the national economy the statistics do not reflect the importance of this industry to over 300 communities in Canada which are dependent upon this industry for their sole survival. Some of those towns in the riding that I represent are Nipigon and Red Rock, Hurkett, Dorion, Pass Lake, Kakabeka Falls, and in these small communities, the people are not involved in the manufacturing process but they are involved in going out into the forests through spring, summer, fall and winter to harvest the trees and sell them to the mills where they are produced from that point.

I was interested in the remarks made by my friend from Kenora in northern Ontario that towns in his area are reliant on the forestry industry specifically. It is important to northern Ontario. More than 30 single industry towns are reliant on the 17 pulp and paper mills and over 325 sawmills of various sizes throughout all of the north. Towns like Dryden and Kenora, Sioux Lookout, Atikokan, Fort Francis, Terrace Bay, Marathon, Hearst and Kapuskasing. All rely on the forest industry and what happens in that industry. As my friend has stated so capably and ably before me, we in northern Ontario rely on the forest industry. It is the lifeblood of our communities.

You can understand full well, Mr. Speaker, how my constituents in northern Ontario have a special interest in the matters that relate to forestry. Therefore, I would like to comment for a few moments on the bill that is before this House.

Naturally, in principle, we favour the establishment of a separate department of forestry. One would assume that such a department would better able the government to reflect in its policies the realities of this industry.

As I said at the outset, I listened carefully to the Minister's words reflecting precisely how important the forestry industry is to Canada. His words were those of an astute man. However, we in northern Ontario tend to gauge one's performance based on actions rather than on words. As we say in the bush industry, you have to put your money where your mouth is. That is what we suggest the Minister do with respect to this bill. He should do things that are concrete for the forestry industry in our country.

If he really means what he has said, I challenge the minister to take the 15 per cent on our export lumber sales that is enshrined in the free trade agreement and cancel it according to section 9 of the memorandum of understanding. We have the complete concurrence of all of the industries in northern Ontario with respect to forestry that we should cancel unilaterally that memorandum of understanding with the United States so that we can indeed compete in the forest industry on a level playing field. We in northern Ontario are not afraid to compete with anyone in the United States.

In closing, and I know my time is short, this government has claimed that a forestry department would provide national leadership in the development and co-ordination of forest policy and programs and, consistent with its commitment to sustainable development, promote research and development in the forestry sector and encourage federal co-operation with industry, universities, provinces and territorial authorities in a wide range of activities related to forest management and protection.

• (1340)

I say in closing that I would be the first person on my feet to compliment the minister and those on the other side of the House if they were to come to grips with and take issue with the memorandum of understanding and cancel the 15 per cent export tax.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I am especially pleased to have the opportunity to speak on Bill C-29, the government's bill to establish a department of forestry, even though the government is five years late in doing so.

I think it is safe to say that the creation of a forestry department is strongly supported by all of Canadian society. We all realize that we need a strong forestry program in order to oversee and protect our vast resource. This legislation will enable the government to have a better focus on activities pertaining to forestry.

In trying to accomplish this focusing in on forest activities, I certainly applaud the legislation. However, there are many problems with Bill C-29 that first must be addressed. Forestry and lumbering is not something that is new to in eastern Ontario and particularly to the Ottawa area. If one goes back in history to when Ottawa was known as Bytown in the early 1800s, lumbering was the major industry. The Ottawa River and the Gatineau River were the two vehicles that carried the logs from the lumber camps down to through to the sawmill, and that sawmill is still across the river from us in Hull, the E. B. Eddy plant.

Like the previous speaker, there are no forests in my riding of Nepean but we do have wood lots. One of the things we have done as a municipality is to recognize the importance of wood lots in our city. Because we are a rapidly developing municipality, the city of Nepean has moved forward to purchase those wood lots and put them in city land holdings so as not to allow the developers to cut these wood lots down for houses to be built in their place. I think that my city has played a major role in recognizing the importance of wood in Canada today.

Bill C-29 does not provide the forestry minister with much clout. Most of the funds for federal-provincial reforestation agreements will come from other federal departments and agencies. In other words the forestry department must stand in line with other departments to lobby the federal government for money.

Environmentalists are very concerned about this industry in Canada, and I do not think it is just in Canada. I think it is a global thing. In classrooms in schools today we hear children who are very, very concerned over the loss of our forests in Canada, Brazil and all other parts of the world. We hear about the warming effect, the greenhouse effect, all because of the loss of our forests and the effect it has on our environment.

If we are all to be concerned about our planet, we have to be concerned about the forest industry. The federal government must take a leadership role in reforestation and resource development as the municipalities such as my city have done and as the province of Ontario is doing.

The Liberal Party supports the renewal of federal–provincial forestry agreements. The government must address the backlog of unsatisfactorily restocked forest land in Canada which continues to increase by 200,000 hectares per year. These stocks must be replaced because we are very rapidly falling behind in replacing them.

Bill C–29 does not provide Forestry Canada with financial control of forest resource development. The department cannot ensure the improved forestry practices are applied because the department does not have the necessary resources to do so.

The department will be unable to improve and increase the resource base across Canada as the bill is presently written today.

The government alleges that the purpose of the bill was to create a strong ministry which would positively represent the interests of the forest industry of Canada at the cabinet level. Yet, according to the Estimates tabled by the government, the new department will receive less money than the Canadian Forestry Service Agency that it will replace.

For example, the government's over–all budget for 1989–90 increased by $9.9 billion to $142.9 billion. The forestry budget for the same period has actually decreased by $28 million to $206.9 million. Furthermore, 47 persons were cut from the new forestry department, a 3.5 per cent reduction in persons compared to a total government reduction of 1,072 person–years or a 0.5 per cent reduction.

In conclusion, Canada needs a strong forestry department. It has been a long–standing policy of the Liberal Party of Canada that a forestry department ought to be created. Unfortunately, this bill does not provide the forestry sector with either the profile or the funds it deserves.

The forestry minister should be in control of forestry resource development agreements. He should not have to request funds from other departments. He should be in control of his own agenda and he will not be. I ask the government to make a strong commitment to the forestry branch. Although the bill is a step in the right direction, in its present state it is a superficial and token approach to our forest industry.

In the last five years since 1984, we have seen, particularly through FRDAs, the expenditure of $1.115 billion with no department, with a minister of state. While my friends opposite are supportive of the department and very critical of the amount of money provided, it should be pointed out that that $1.115 billion is a 300 per cent increase over the financial commitments of that crowd opposite from the previous time.

Most important is to recognize the opportunities available throughout government at the federal and provincial levels. Like my friend from Hamilton East, I also had the opportunity this summer to visit a project in my province that was supported by the federal–provincial agreement between the two levels of government. With the minister of forestry for the government of Newfoundland and Labrador, I participated in the planting of the 50 millionth seedling at the tree nursery in Woodale outside Windsor in central Newfoundland.

What is critical in that process is that we have had to come together, not only two levels of government but a number of departments of both governments, to ensure that we have the forest resources that will feed the industry in Newfoundland and Labrador over the next number of years and centuries. One of the greatest advantages is the ability of a department like this to bring other departments together, going with government departments at the federal level to the provincial level and saying what it is we can do together.

In my part of the world, as with my colleagues from northern Ontario, Nova Scotia, parts of Quebec and even British Columbia, when we sign these agreements we sign them to do a number of things. Obviously protecting and enhancing and developing the forest resource is key. Quite clearly the creation, the preservation, the protection and the enhancement of jobs is critical and therefore the involvement of the Atlantic Canada Opportunities Agency or the Department of Industry, Science and Technology.

• (1350)

We have been able to develop, with the help of the youth strategy under the Department of Employment and Immigration, in a signed joint deal with the Newfoundland government and ACOA and the provincial department of mines and resources, a world-class training program for young people, a training program that will train people for two years in our forests in silviculture and in protecting and developing the resource.

We have the ability to jointly protect the resource through fire-fighting. We have the ability to jointly understand the resource better through the development of new products. We have traditionally depended on black spruce and fir. We are now growing juniper. Those opportunities, bringing departments together, bringing different levels of government together, is where the creativity and the imagination of all of us can come together to develop this industry to secure its past and our future.

Mrs. Gaffney: Mr. Speaker, I thank the gentleman for his comments with regard to my comments on the forestry department. All of the things that this government is doing are certainly commendable, but surely he is kidding when he cannot recognize the fact that there are millions of dollars cut in the budget in the forestry division, that staffing has been cut back. Where is the dedication? Where is the commitment to this industry when there is a budget cut-back and a person-years cut-back? It is there in the figures. It is in the Minister of Finance's budget.

The member talks about agreements with the provinces. How many of those agreements are not signed? Quite a few. I believe six out of ten are still not signed. We have heard from my colleague from Thunder Bay who talked about the softwood lumber industry and the damage that is being done to the lumber industry in northern Ontario by the 15 per cent surcharge that has been added on. How can he ignore that? How can he say that his government is committed to this industry when he failed to do the things that I have mentioned here?

I would like this gentleman and this government to be serious about this industry. This, I believe, is our No. 2 industry in Canada. It has been our No. 1 industry from the early days of settlers in this country. We cannot ignore it. We cannot ignore the warming effect, the greenhouse effect, on our planet.

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, in addressing Bill C-29, an act to establish the department of forestry, to amend the Forestry Development and Research Act and to make related amendments to other acts, I would like to begin by congratulating the minister as another old sawmiller like myself with some 20 years in the industry. I understand also the minister's own commitment and experience in that industry as an owner—operator in his case. I know the two of us share the feeling that comes with the sweet smell of fresh cut wood, especially if it is mixed with salt air.

The minister's own experience in that industry stretches back over many years in the Peace River section of British Columbia. While I never dealt with him directly there, I know that his own experience and feeling both for the industry and the forests that sustain are strong. I know it is of some pleasure and relief to him that he has finally been able to give birth to the measure that is before us today, the establishment of a department of forestry.

In referring to the rather long gestation period, I would point out that in 1984 the Conservative Party and the present minister had some role to play in the forestry policy of that party. They said that we would have a forestry department immediately. It has been five years in coming. By any standard of measurement, that is a rather long gestation period. As one who has been involved in wood products labour for very many years, I always knew that forestry was hard labour, but five years' gestation is kind of ridiculous.

Be that as it may, I know there were many serious debates taking place between parties, between individual members within parties and between many others across the country during that period and the years preceding it over whether the correct and best route to go for the protection and enhancement of the forest industry was to have a separate department, or whether it would be more appropriate to have a ministry with an enhanced associate deputy minister and a strong team within a major government department.

It was also a matter of great concern to a number of others as to what type of department was appropriate if we were to promote and defend properly the interests of the industry and the resource. Should it be a production oriented department or is it more proper to put it in with the Department of the Environment? There were good arguments on all sides, and I think all of us in every party finally came to the conclusion that the best route to go was to have a separate ministry and a separate department.

It is regrettable, however, that in establishing this department and for something that has taken so long we find it lacks one of the major instruments that surely any department has as its main purpose—the enhancement and protection of the forestry resource in Canada. The administration of and responsibility for forestry renewal does not rest within the mandate of that department, particularly in the negotiation of and the funding for the joint agreements which have done much during the last four to five years to finally give an appropriate measure of attention to the forest industry and to the forest resource.

In *The Vancouver Sun* on June 28, 1989, it was reported that officials from the Western Economic Diversification Office told MPs the day before that only $242 million in new money has been made available over the next five years for federal deals with the four western provinces. That much money is to be spread over four western provinces with 11 federal-provincial economic regional agreements. When you consider that during this past five years under FRDA in the province of British Columbia alone, there has been $150 million federal and $150 million provincial, that $242 million is obviously totally inadequate.

If we look at the estimates for the Western Economic Diversification Office, we find that the amount available to that office for its mandate has fallen by $40 million over the period 1988-89 to the 1989-90. Again, this is something that does not bode well. Many spokespersons within the industry and around the industry have suggested that it is entirely inappropriate for an agency such as the western diversification agency to have that kind of responsibility and power over what is in Canada the major contributor to our balance of trade surplus—if it is still a surplus—an industry which has such an impact on so many communities right across Canada, some 300 communities which are either solely or largely dependent upon the forest industry for their existence and welfare.

It is some time now since the first Canadian Forest Congress was held in the city of Toronto in 1978. I was there. It was just shortly after I was appointed as a regional representative for the International Woodworkers of America, not dealing with forestry policy as such, but with the issue of with race relations within the forest industry.

• (1400)

I remember at that congress in 1978 it was still our concern that there was hardly any awareness among the public of Canada about the importance of this industry and the needs that the forest resource had. A phrase used was that the public could not see the lack of forest for the trees.

We have come a long way since then and there is a great deal of awareness among the public and among the people who work in and around the industry. Over the years that has created an ever-increasing sense of urgency in the political area as well.

While the creation of this department is obviously one sign of that increasing awareness among politicians as with the public, it is likely to be a long time before we can again focus public attention on another major step ahead in terms of the renewal of the forest resource in Canada. That is why it grieves me so much to see the lack of a strong mandate written into the legislation before us. It is a pity because it may be a long way away again. It has taken five years to get us this far from the time of the announcement that it was going to be done immediately. If we do not do it right now it may be a long, long time before we get a chance again.

As I said, Mr. Speaker, there are some 300 communities across Canada dependent upon the forest industry and many of them are within my own constituency of Kootenay West—Revelstoke. I know the figure 300 was used in a broad sense some four or five years ago, at the time that I was the member for Kootenay West, and since then we have at least one less community in my own area that is primarily dependent upon that industry. The mill where I reported to go back to work, some two weeks after the 1984 election, closed down permanently within days of my application to return to work. I was one of those who thought he had job security when I left this place in 1984, but I should have known better because I had realized for years and years that unless all people have job security no one has it. But I was rather forcibly reminded of that in the weeks following the election of 1984, and it had nothing to do with losing the election.

Now the employment within my own constituency within the forest industry is not much different than it was then. But what has happened there, as has happened in many other communities, is that many large, integrated operations have closed down. We have gone back to the days of a number of small operations which have much more hazardous working conditions. In many cases they conduct their logging operations in ways which are much less sensitive to the needs of the area. They pay their employees and thus pay their communities less for the resources that they utilize. They now have people working with them who are working for one-half or two-thirds of the wages that they used to earn. They have no benefits, except for those few required by law, and have no pensions. We have gone backwards in terms of what our people and our communities receive from that industry in many, many areas of Canada. And that in part is because of the small "c" conservative political agenda which has dominated much of North America over that period.

We hear a lot of concern about the environment. That is right and proper and it is long overdue. But I have always been one who believed that the environment had to do with more than just trees, minerals, air and water. People are part of the environment too; people tomorrow and people today. The job of any responsible politician and any responsible government is to accommodate and negotiate between those needs of people today and people tomorrow, recognizing that they are part of what we call the environment and ensuring that one is not sacrificed in too large a measure for the benefit of another.

In addressing part of the needs of the people, and there are hundreds and thousands of them across this country who have derived their livelihood from the harvesting of our forests, if we want to enlist them as allies which we must in preserving forests and in preserving the environment we must assure and guarantee to them some fair measure of equity. We cannot ask them simply to sacrifice themselves, their families and their communities for the future.

It is important that sacrifices be made but they must be shared. We must apportion to them in our reforestation and silvicultural programs an appropriate number of the jobs at reasonable rates of pay with appropriate compensation, benefits and pensions for the future of themselves and their families working in those important areas of silviculture and forestry regeneration.

If we do not make those assurances, they will automatically dig in their heels and we will force the kinds of social conflicts that we have seen in the headlines over and over and over again. Our society cannot afford those conflicts on an ever-increasing basis. Our environment cannot sustain those conflicts on an ever-increasing basis and it is within our ability, as a community provincially, nationally and locally, to take such measures to ensure that any sacrifices to be made will be shared equitably across the board and that we will give as much respect and accord to those who are living and working in the present as to the future.

I have always been suspicious, whether it has been with other Socialists, Conservatives or Liberals, of any politician who says that we always have to do things for tomorrow at the expense of those today. We are equally as important. Besides, if we do not take both groups equally into account we will not take the kinds of measures that are necessary to preserve a future existence.

I know that a lot has been said about the FRDA agreement over the last five years and it has been an excellent agreement. I have had the opportunity, both formerly as a member of Parliament and during my four years in the wilderness, as it were, to visit a number of operations that were financed both by FRDA and by the agreements that were conducted prior to the existence of the Forest Renewal Development Agreements.

I can testify to the value of the work being done with minimal amounts of labour and, considering the importance of this industry and this resource, our forests, with the minimal amount of money spent we got tremendous value in terms of enhancement of the resource.

There was something that went on prior to the last five-year FRDA agreement in British Columbia. The B.C.-Canada FRDA agreement had $150 million federal and $150 million provincial, a total of $300 million over five years. That is some $30 million a year for each level of government.

• (1410)

I would remind the members opposite that in the year prior to FRDA there was an agreement for which we had to fight for years to get. It was a one year agreement. There is a problem with short-term agreements. The five-year one was certainly welcome in that respect. It takes a lot of planning and co-ordination. There was a one-year agreement that saw $55 million dollars come from the federal government and $55 million from the province.

So in fact, if you measure it on that year-by-year basis, when this government was elected in 1984, its commitment fell from $55 million a year to $30 million a year. But the government probably got just as good a value because it was at least planned over a five-year period. That allowed the provincial authorities who have the prime jurisdiction, as they should, over forest management and forest renewal to plan in advance to attempt to get the appropriate number of seedlings in place, to do the necessary preparatory work and to have the necessary skilled labour in place, because we had not done an adequate job of reforestation prior to that time and we needed to train forestry technicians and silviculturalists. It allowed that to happen. But because of the foot dragging in this last year we have thrown away the benefits of that kind of advance planning.

Even if the federal government were now to agree to spend more than it had over the past five years, when all the evidence shows it is going to spend less, it would get fewer results and do great damage to our resource simply because of the lack of lead time. Seedlings have not been produced, not adequate ones for the right places. Because of the privatization program that has taken place in the province of British Columbia where many of the seedlings are produced by independent contractors, largely made up of former employees of that province, they are left holding the bag, otherwise the taxpayers would have ended up holding the bag. It would have been unfair to the taxpayers and it is now unfair to those contractors, because these seedlings will probably not be used.

That shows the waste. You would think that a government that had shown enough sense to do things over a five-year period where the appropriate amount of planning could take place would realize how important it is for that kind of planning on a long sustained basis to continue, but apparently it has not.

Now we are seeing jurisdiction not placed within the new ministry of forests but placed in another agency which may be very valuable, the Western Diversification Fund. But it has different priorities. It does not have the understanding of the particular problems of that industry, so we can expect to see even more of that helter-skelter unplanned approach because these people simply will not understand the industry. You do not plan to regenerate a forest in one year or one month. You have to do it over the long haul. I am sure the minister understands that. If he does, why does he not get it through the thick skulls of his colleagues? He knows what the necessities are and knows the urgency. I only wish his other colleagues would come to appreciate the particular needs of that industry.

Another disturbing trend has been in what we are now starting to see as some hints of Conservative plans to deal with forestry and some of the broad environmental concerns. The Conservatives and Liberals have been urging so-called market-driven solutions to our environment. But it is market mechanisms that have got us in the situation we are in now. As an example, according to the September 23 issue of *The Financial Post*, Environment Probe in Toronto is calling for the privatization of our—

Mr. Deputy Speaker: Order, please. The Chair regrets to interrupt the member but the member's time has expired.

On debate, the Hon. Member for Winnipeg South Centre.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I want to make the time available to me this afternoon to pose some questions to the House and in particular the proposed minister of forestry.

What Canadians want to know before this bill is passed is whether this is another mechanism to get the minister a bigger car, a better seat at the cabinet table, a larger expense account and a little more status among his colleagues or whether the forestry department is now going to do something. They want to know whether, in fact, it is going to be a real, substantial contribution to the making of proper policy in this country dealing with forests which is, after all, our largest employer and our most successful export market in many areas.

The forest industry is in deep trouble as a direct consequence of actions by this government. The real question is whether this new ministry of forestry and the new minister is going to be prepared to stand up finally with some courage and integrity and defend the forestry industry of Canada.

I hear comments from the gentleman who represents that large forestry area in Mississauga or Scarborough, wherever it is.

The fact of the matter is I have here a study done by Price Waterhouse for the forest industry in British Columbia. This is an objective, honest and clear account of just what disastrous effects the decisions by this government have had upon the forestry industry in British Columbia. Let me read you one quite startling fact: "In 1988 the net earnings of the industry in the lumber field alone plummeted from $352 million to $6 million."

The direct consequence of the softwood lumber agreement, the export tax, the stumpage fees, has been the cause of that decline. The lumber industry is losing markets and has increased costs and, as a result, it is losing money. When it loses money the industry loses the capital to reinvest in modernization. It loses the ability to provide for better technology, higher productivity and, therefore, loses what has been for the British Columbia forest industry perhaps its most important advantage, namely, its superior ability to produce logs at lower cost, at higher productivity and with better technology. Once it starts losing money of this scope and magnitude it loses its cutting edge, if you don't mind a somewhat bad pun.

That is not a matter of nature, it is not God's will, it is a direct decision by this government. One of the stupidest, most futile and dishonest decisions in the history of trade in this country is now coming home to roost and we are seeing the impact directly in British Columbia, northern Ontario and right across this country. What was a thriving, bountiful industry is now being put into real dilemma as to its future and as to whether it can continue to provide for an active export market.

There is a responsibility by the minister of forestry because his colleagues have failed. The Minister for International Trade, who somehow has believed that his primary occupation these days is to provide for the destruction of the fish industry off the east coast, has failed miserably in his primary responsibility, which is to do something about the trade area.

I want to quote from the Minister for International Trade on April 7, 1989, just a few short months ago. He said: "The economic circumstances (for the forest industry) have changed—Therefore we think it would be reasonable for changes to be made—Whether the United States will agree is another question. We have pointed out these facts..(but) there have been no formal negotiations—".

I checked a few days ago and there are still no negotiations. There is still no initiative by the minister for trade. There is still no honest effort to try to come to grips with the fact that the Canadian forest industry faces the drastic impact of new stumpage fees in British Columbia and the export tax in the other provinces, to say nothing of the major increase in the Canadian dollar.

I have a very simple question for the minister of forestry. Once his department is there, once he gets in the harness, once he gets that bigger car and that new staff and all the trappings, is he going to start renegotiating this agreement? Is he going to tackle the fundamental flaw that faces the Canadian forestry industry? Rather than going out and making great speeches about the green ghetto and all the nice pieces of nostalgia he liked to refer to in his opening speeches, is he going to do something serious? Is he really going to tackle the problem that faces the industry which he knows well? I was within three feet of his office only a few days ago, and there they were busy, the computers were whirring, and the typewriters were going. But I have not seen the minister whirring and going. I want to know if we are going to get some action once this department is passed and if, for a change, we are going to have a minister in this government to stand up to the Americans, someone who is going to stand up for Canadian industry and say let us start doing some serious negotiation.

• (1420)

It is not a matter of changing policy. Even his colleague, the minister of trade, when we can find him, is prepared to admit that there is a serious problem. He knows that negotiations have to take place, he knows that something has to happen, but he is incapable of doing it. I know that the Minister of Forestry with his new department deeply cares about his region—he had better or he will not get elected next time—but aside from that, his own sense of humanity and well-being would require him to do something. Is he going to do it, or is he going to find himself, once again, captive to that peculiar paranoia that is so omnipresent, so totally in existence on the other side that people are fearful of

standing up on behalf of this country and its major industry?

If they do not, Mr. Speaker, this industry is going to be facing increasingly tougher times. As international competition gets tougher and tougher the industry will find itself without the capital. There is a capital grab by the province of British Columbia. There is an export tax which steals it from the saw mills in northern Ontario and prairie regions of Canada.

That is the primary task. I am more than happy to relinquish my remaining few minutes to the Minister of Forestry if he is prepared to say here and now publicly that that will be his first priority, that the minute he is given the new baton of office and the door is open, he is going to buy himself an air ticket to Washington and start saying to the Americans: "The game is over. We have had enough fun and games with this particular little jaunt. You have now been able to exploit us for three years. Is it not time we got down and did something honest and even?". Is the Minister of Forestry now prepared to say that he will undertake that kind of initiative?

I would even recommend, as a member of the opposition, that when the minister leaves Washington, he buys a ticket to Tokyo and starts renegotiating the decision dealing with the Japanese tariffs on lumber. Perhaps he would do the full world-wide tour and hit Geneva where he will make an appeal against that decision, so we can again open up the Japanese market and not lose it on a technicality. I will not blame the government for making the odd technical mistake. However, the government makes more than the odd mistake. It makes them about 100 times a day.

We lost that case with Japan on a technical argument. It is going to take some initiative, motivation, and some minister with will, purpose, energy, thought and creativity, to start representing this area rather than just occupying a warm seat around the cabinet table.

This is not based upon what might have been. This is based upon hard fact. I recall very well one of the minister's predecessors, the since retired Minister for International Trade, who negotiated that softwood lumber agreement in tough battles on the beaches of Hawaii, fighting for Canadians every moment as she dashed herself with suntan lotion. She said this would be the greatest thing that ever happened to the lumber industry. This would solve our problems. Do you recall what she said, Mr. Speaker? You were in the house. She said: "This is a great victory for Canada". Well, Mr. Speaker, you convince the lumber industry that has just lost $352 million last year in net earnings that this is a great victory for Canada.

I simply say to the minister, who I am pleased to see is in the house, that he knows what his job is. I do not say that it is an easy task. I am here simply to urge him and to pray with him that he will take it on. Unless there is a change made, unless we can get a renegotiation of that agreement, unless we can end that agreement, then the future of the forest industry is dim indeed.

For all the other rhetoric that he may provide, and for all the other speeches and policy papers that he may want to introduce, until he addresses himself and his government to the single most serious problem facing the forest industry, he will not have done his job.

Therefore, Mr. Speaker, we in the opposition will wait with interest to see if this new ministry of forestry is simply a hollow shell providing more creature comforts for the minister of forestry or whether in fact it will do something serious about tackling a problem facing one of the most important industries in Canada.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I am honoured to have an opportunity to participate in today's debate on this most important legislation. We see before us Bill C-29, an act to establish the department of forestry. I say thank you to the minister. We have waited years and years and years for this. Finally, the government was embarrassed enough to have to do something. I want to say to the Minister of Forestry who is here with us that I remember vividly as a matter of fact way back in March, 1984, when our Prime Minister stated the following: "As a government we would create a department of forestry in order to ensure that the problems now facing this industry are dealt with before it is too late." That was in 1984. We waited all of 1984, all of 1985, all of 1986, all of 1987, and here we are, Mr. Speaker, and finally the government is now going to introduce legislation. Well, I tell you, Mr. Speaker, and my hon. friend from Winnipeg who just spoke on behalf of the Liberal Party, we waited decades, of course, and never had anything at all from

the Liberals on this initiative. So I think that their criticisms are somewhat hollow.

As a matter of fact, if my memory serves me, and I believe that it does accurately, when the Leader of the Official Opposition was visiting Prince George, British Columbia, he indicated that it was Liberal policy not to establish a department of forests, that it ought to be within a larger umbrella of industrial development. I simply point that out to my hon. friend from Winnipeg in case that slipped his mind.

Obviously what we are seeing here is an issue that is not a high priority. If it is a high priority, the government would have moved back in 1984, 1985, 1986, 1987 or 1988. It is not a high priority. So let us hope that once we get this legislation in place the Minister of Forests will actually start treating the forest industry as he ought.

When you consider the number of people who are directly and indirectly employed in this industry, which is in excess of 800,000, when you recognize that more than 300 communities in this country depend exclusively on the forest industry for their economic base, and when you recognize that in terms of Canada's trade it is forestry and forest products that are at the top of the list and so critical in terms of our foreign trade, we have to hope now that it becomes somewhat of a priority because it certainly has not been one up until this point.

I must say that the creation of a forestry department is welcome news. Obviously, when one looks carefully through Bill C–29 we find that it is woefully inadequate. We see that it is certainly an opening now. It provides us as parliamentarians with a window of opportunity to not simply accept this bill, which is inadequate in so many ways, but to enhance it now through an appropriate set of amendments. Our forestry spokesman, the hon. member from Prince George—Bulkley Valley, has already outlined carefully what we would like to see as ways and means of enhancing this legislation.

I simply want to refer to them because I think it is critical that the Minister of Forests know right at this point, at least some of the major initiatives that we are going to propose. One, of course, is adding to the annual report provisions. When you see in the legislation that there will be an annual report, unfortunately, it will be like most annual reports of most departments, a glowing comment about the wonderful minister and the wonderful people involved—utter and total propaganda nonsense by and large. This is too serious to play politics with, as we have seen played too often in these annual reports.

Therefore, we are going to include some amendments to the legislation to ensure that the annual report reflect and give us an update on the forest inventory across the country, the employment statistics, the number of jobs created and developed in the various sectors, the most recent trade figures, as well as outlining and suggesting a number of new initiatives and proposals for the forthcoming year. These are simply a number of things we would like to see in the annual report. We want to see this legislation to ensure that we do not get just some namby–pamby propaganda.

• (1430)

Second, we feel that it is appropriate that in the legislation itself there be a call for a First Ministers' Conference on the forest industry each year. Let us face it. There is no more important sector when you consider that people in every single province and in every single territory are involved in this industry. There are hundreds of thousands of people directly involved in this industry. Is it too much to ask that our Prime Minister and the first ministers of each province and territory get together and discuss the challenges facing this critical sector on a five–year basis? We figure that is important.

Then, of course, the ministers of forestry ought to get together every year to discuss the challenges facing the industry and to identify solutions to those challenges.

Also, we want to propose the establishment of a forest trade commissioner. After all, I think we all recognize that now in our shakes and shingles industry 90 per cent of it goes into foreign markets. A good portion of our pulp and paper, lumber and plywood is taking advantage of newly developing foreign markets, but there is much that can be done. There are many more initiatives that we ought to be taking in terms of selling our products which are top rate, top of the line, first rate overseas. We would like to suggest that a forest trade commissioner would be a step in advancing that type of initiative.

I think also that we need in this legislation provisions that will ensure new jobs are created in this industry. We often look about the country and ask ourselves how could we put more Canadians to work meaningfully. I do not mean snap your finger and create a job schemes that are good for maybe three or four months or whatever. We have seen those in the past. That is not the solution in terms of full-time employment opportunities.

It is interesting that in the central interior of British Columbia, and the Minister would certainly be aware of this, a number of municipalities have commissioned studies to look to see what needs to be done in terms of enhancing that forest resource and how many jobs would be created as a result. The figures are absolutely astounding. If we were doing in our country what we should be doing, that is, enhancing, developing and nurturing our forest resource which means thinning, spacing and fertilizing and impending programs for disease, fire and pest control, road building, research and development, and so on, there are tens of thousands of jobs that could be developed, if we are serious about sustaining that forest resource.

These are long-term jobs. If you take the central part of British Columbia alone, there are literally thousands of jobs that could be developed to enhance that forest resource. I cannot think of a better investment. Rather than provide money for various income support programs, whether it is welfare on one hand or unemployment insurance on the other, if we could take that same initiative and develop hundreds and thousands of jobs that must be developed. This is not something that could be or should be. It must be. We have no alternative.

We say this is what should be done in this legislation to implement programs in terms of proper tree planting. We cannot do it overnight. We recognize that. We certainly ought to have a crash program put into place because there are many people who understand the wood industry. They have lost their jobs over the years and could very quickly put that expertise and experience to work, to say nothing of the thousands of experienced tree planters who would enjoy working full time in developing the forest resources of the country. We put that as a very high priority in terms of amendments that my hon. friend from Prince George—Bulkley Valley will be providing once we get into the committee stage.

I also want to refer to the FRDAs. I have here the Forest Resource Development Agreement between Canada and British Columbia. I notice that it expires in March 1990. Just a few months from now it will expire.

Many of us from British Columbia are becoming quite concerned with this expiry date approaching because we have noticed that when these agreements expired in Alberta, Saskatchewan and Manitoba the government did not renew them. They just said: "That's it, we are going to abandon the forest industry. We are going to abandon working with the provinces to enhance the forest resource in Alberta, Saskatchewan and Manitoba". Here is British Columbia coming up next.

What this means—the writing is clearly on the wall—is that this government has no plans to sign a new agreement between British Columbia and the federal government to enhance and support the forest industry. This is critical, of course, in a province where the forest industry is the number one economic sector.

We would suggest that the government show that this matter of the forest industry is a priority. It should commit immediately to signing a new agreement with the provinces by which the federal government and the provincial governments can develop a long-term forestry strategy to ensure that the forest industry not only is maintained in a healthy condition but is going to be there for future generations. This of course means that we have to spend some time developing those lands that have not be sufficiently planted. We have got thousands and tens of thousands of hectares of forest land that we refer to as NSR, non-satisfactory restocked lands. These are forest lands where companies have gone in, usually clear cut, logged off all the trees and just left. If that is not insanity, I do not know what is. Other forest producing nations look at us, scratch their heads and think we must be crazy to cut down tress and not restock the land. That is exactly what has been done.

British Columbia, of course, had the very unfortunate experience to say to the forest industry: "We want you to monitor what you are doing. We want you to be self-policing. We want you to be self-managing". They tried that for a year. The results were so dramatically negative that they have had to renege on that. This makes the case that legislation at the provincial and federal level is critical if we are going to maintain that forest resource.

Up until now the province of British Columbia and Canada had an agreement which involved $300 million over five years for reforestation and silviculture. That is $30 million a year, which I think is a pittance. I think if we are serious we have got to increase this, say, to a $1 billion over the next five to ten years.

Mr. Redway: Why not?

Mr. Riis: The minister says: "Why not?" I applaud him for that comment. Why not spend that kind of money and put a few tens of thousands of Canadians to work meaningfully? You might ask where are we going to get $1 billion. May I suggest where? By implementing a minimum corporate tax like they have done in the United States. It would generate a few billion dollars each year by doing what President Reagan did in 1986. He introduced a minimum corporate tax because he felt that if you have as we have in Canada tens of thousands of corporations that do not pay any income tax at all they should pay their fair share. They should not pay too much or excessively; they should pay something. It is unfair when the welding shop down at the corner of the street is paying tax but the Royal Bank of Canada or General Motors pays no tax. We in the New Democratic Party say that is unfair.

If the Minister is looking for a source of revenue so that in fact he could put $1 billion into the agreements between Canada and the province of British Columbia over a five to ten year period, may I suggest that that is one place where he can start to look.

I also want to make a point, and I say this as an honorary member of IWA Canada Local 1-417, that it is time that we stopped expecting those people involved in the forest industry to pay for our parks, to pay for our wilderness areas and our recreational lands. If we as a country want, and we should want, wilderness areas set aside, parks set aside, conservation areas set aside, which are laudable and necessary goals for our country—we have even set 12 per cent as a guideline in terms of lands that should be set aside for these uses—then it should not be those people employed in the woods industry that should pay for this. It should be society that pays for this.

• (1440)

We need to find some mechanism to put in place so that it is not pitting those companies and workers in the forest industry against those people who want to set aside these lands for uses other than forestry. We need, if I can use the parlance of the free trade deal, a dispute settlement mechanism whereby we can have a process, if there is a dispute over the future of certain lands that could be harvested for forest industry reasons, to get away from emotionalism and have reasonable decision making brought forward. Then we can have, if you like, lands that will be harvested in terms of the forest industry and other lands that will be set aside for wilderness conservation and park zones.

I think this is becoming paramount. This emotional crisis that we have to deal with on a valley to valley basis must stop in this country. I would like to see the minister of forests, as a result of the development of this new ministry, playing a leadership role. If he could do that in the next three years he would be making quite a contribution to this country. I will tell you that my hon. colleague from Prince George—Bulkley Valley will be urging him at every opportunity to do just that.

If this is the kind of leadership that we can expect from the federal government? A lot of people ask: "What is the role of the federal government in terms of the forest industry?" After all, our Constitution gives this area, if you like, to the provinces. It places resource development and so on under provincial jurisdiction.

There are all kinds of initiatives that can be taken. I have identified research and development. I have identified the whole matter of leadership and partnership in reforestation and silviculture. If we had in our country a long-term agreed upon forest strategy involving those people employed in the industry, the investors, the regional governments, local governments, provincial governments and federal governments, can you imagine what kind of a dynamic forest industry we could have in this country? But that requires leadership.

I am pleased to say that Bill C-29, an act to establish the department of forestry, is a step toward establishing and accepting that leadership role. I encourage all of us to do whatever we can as we develop this legislation in the next number of weeks to rally around, to not only introduce this legislation which is pretty weak, inadequate and lacking but to develop a bill and to develop the resulting department of forestry that actually will accomplish what every single thoughtful parliamentarian

who understands this industry wants it to do, that is to say, provide leadership and to ensure that Canada's number one export industry is not only maintained but is encouraged to grow and more particularly is there for future generations to work in and to appreciate.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: On division.

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

Mr. Deputy Speaker: Is there unanimous consent to call it three o'clock?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: Accordingly this House stands adjourned until Monday next at eleven o'clock, pursuant to Standing Order 24(1).

The House adjourned at 2.44 p.m.

HOUSE OF COMMONS

Monday, October 2, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, pursuant to Standing Order 106(8) I have the honour to table, in both official languages, the government's response to four petitions.

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

* * *

WORLD HABITAT DAY

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, I would like to bring to the attention of this House a significant occasion in housing around the world. Today is World Habitat Day and it gives us the opportunity to focus our thoughts on just how vital the home is to each and every one of us.

For most of us Canadians, it is a day to be thankful for our good fortune, for by and large we are among the best housed people in the world.

[*Translation*]

Unfortunately, many do not share our good fortune. One billion people in the world do not have decent, safe, sanitary housing. That is why the United Nations General Assembly in 1985 designated the first Monday in October as World Habitat Day.

[*English*]

The United Nations Centre for Human Settlements, or Habitat, has developed an ambitious plan to address shelter issues, the Global Strategy for Shelter to the Year 2000. It was adopted by the United Nations General Assembly in December 1988. The UN believes that no country can claim to have solved all of its shelter problems and therefore all countries should make a commitment to meet shelter needs.

The theme for World Habitat Day 1989 is "Shelter, Health and the Family". This highlights the link between these critical aspects of human welfare. Without proper shelter, including housing, clean water, sanitation and community services, the risk of disease is vastly increased and a stable family life becomes almost impossible.

As one of the world's best housed nations, Canada has experience in solving housing problems that we would like to share with developing countries and with developed countries alike. On the other hand, we have not yet solved all of our own housing problems and we too can learn from the experience of other countries. Canada supports the global strategy and regularly exchanges information with the UN on Canadian initiatives to address housing issues.

Since hosting the International Habitat Conference in 1976, the federal government has provided financial contributions to the information activities of the United Nations Centre for Human Settlements.

[*Translation*]

The Habitat Information Office for North America and the Caribbean was originally located at the University of British Columbia in Vancouver and later moved to York University in Toronto. We are pleased now to house it in its new quarters in Ottawa. I am happy to announce that Canada Mortgage and Housing Corporation has renewed the funding for the Information Office's activities by granting it $750,000 over three years.

• (1110)

[*English*]

I would like to close by borrowing a few words from the World Habitat Day message of the Secretary General of the United Nations. The home and family are the nucleus of the global community. The home is where we bring up our children, where we find our values, where we develop our abilities. The home is where the fabric of society is woven. In Canada, we share these principles and we continue to do all that we can here at home and

internationally to ensure that people have adequate shelter.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, on behalf of the Official Opposition, I am pleased to have this opportunity to draw attention to World Habitat Day. This occasion, the first Monday of October, was so designated by the United Nations General Assembly in 1985 as a means to focus the world's attention on the desperate battle to improve the shelters of hundreds of millions of people on this earth.

It is indeed shocking that a billion people around the world are in need of adequate housing, with facilities most of us here take for granted, such as clean drinking water, sanitation facilities and a safe environment for our children with educational and employment opportunities on our doorsteps.

Inadequate housing denies people the opportunity to lead fully productive lives and to help in the building of their communities. For many people throughout the world, our own country included, the lack of housing is a denial of life itself.

As the minister stated, the theme of World Habitat Day 1989 is "Shelter, Health and the Family". The theme recognizes the fact that shelter is a basic need to us all. In the absence of adequate secure shelter, there is anxiety, anger and frustration. One cannot dispute the linkage between adequate housing and good health. In the absence of adequate shelter and good health, how is the family to survive? How are parents expected to build a better future for their children when their thoughts are dominated by fears of losing what shelter, however inadequate, they possess?

The problems and heartbreak associated with inadequate housing are not limited to the squalid slums of the Third World. Here in Canada, hundreds of thousands of families and individuals live in inadequate housing, often at prices that force them to go without other necessities. The growing network of food banks and other emergency services in Canada can be directly linked to the shortage of affordable housing in this country.

This government has exacerbated the seriousness of the situation by its refusal to provide strong leadership and commit the necessary financial resources to substantially improve the living accommodations of the homeless. I might add that in this morning's *The Toronto Star*, the minister's statement that we do not need housing and that it is not a national issue in this country is totally irresponsible.

For those whose housing tenure is so insecure that they are in fact homeless and for parents whose children are denied the many joys which should accompany childhood, the task is great both here in Canada and around the world.

I urge the government to give this matter the attention it deserves. I applaud the initiative of the United Nations in pursuing a global strategy as a means of finding solutions to housing problems around the world. I am proud that Canadians have the opportunity to participate in this quest.

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, I welcome World Habitat Day on behalf of the New Democratic Party. We hope that the location of the Habitat information office in Ottawa will result in work which will improve our efforts to house people in decent conditions both in Canada and throughout the world.

Many of us have been shocked at recent media reports of death squads in Brazil preying on the more than one million youngsters who are forced to sleep in the open each night. Another media report, most recently in *The Vancouver Sun* alludes to the hypocrisy of the Canadian government in its dealings with the issue of asbestos.

The United States plans to ban the use and the importation of asbestos by 1997. There is no safe level of asbestos exposure, according to health experts. The Conservative government angrily disagrees. The hypocrisy of the Canadian government in supporting a dangerous industry that is worth $300 million a year and some 2,600 jobs extends far beyond the U.S. border.

Canada's asbestos industry has busily built up export trade in the Third World, where less sophisticated societies are not so scrupulous about safety. Countries such as Pakistan, Korea and Thailand use asbestos to provide housing for the poor. This is the kind of contradiction in which the Conservative government is embroiled.

It is significant that the United Nations, which has declared this to be World Habitat Day, has found that one billion people are not properly housed. No one nation is immune from shelter problems. For Canada, which has seen substantial cut-backs to both international assistance and housing budgets this year, the ground that has been lost.

A government that stands today to celebrate an international day of shelter might also be called to account for some of the following issue which it alone has responsibility for: budgetary cuts for the one program which renovated housing for low income Canadians. The Rental Remedial Action Plan, a program which brought basic improvements to the rooming house and low-income rental housing and is vitally important in our cities, is now terminated. What will replace it? There is reduction of co-operative housing from the proposed target of 5,000 units per year, which was never attained, to a now paltry 1,700 units which is supposed to serve all of Canada. How can we tackle affordable housing this way? It is a crushing blow to housing affordability that present high interest rates and the future goods and services taxes will bring to Canadians. It is no overstatement to say that the goal of housing Canadians to a decent standard is receding despite our unparalleled affluence.

The government, in its wisdom, cannot even fund such worthy self-help projects as Project Beaver, an organization which has specialized in training people in rural and remote parts of Canada to house themselves. My colleague, the Hon. Member for Surrey North, who is our housing critic, is fond of saying that there is no housing problem for the wealthy in Canada. The market does provide everything beyond our wildest dreams but increasingly, the market which this government puts its faith in has nothing to offer in terms of affordable accommodation.

I wonder if this is to be our message to the world on World Habitat Day, put your faith in the magic of the market, and if that does not work, then hope for some charity. It is not the way forward that we in the New Democratic Party endorse. We will be pressing for a housing policy which will house all Canadians and one which will be an example to the world. That would be a goal worth striving for on succeeding World Habitat Days.

* * *

• (1120)

CANADIAN LAWS OFFSHORE APPLICATION ACT

MEASURE TO ENACT

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada) moved for leave to introduce Bill C-39, an act to apply federal laws and provincial laws to offshore areas and to amend certain acts in consequence thereof.

Mr. Speaker: Is it the pleasure of the house that the hon. minister shall have leave to introduce the bill?

Some Hon. Members: Agreed.

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

* * *

PETITIONS

VIA RAIL

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have the responsibility to table a petitions with regard to the impending announcement on VIA Rail and the savage cuts the government is proposing. These petitioners would like this House to consider the following.

The Government of Canada has decided to eliminate many of VIA Rail's existing routes and thousands of jobs. The people of Canada deserve a high quality passenger rail service, including modernized equipment throughout the network and a rapid rail system for the Windsor—Quebec City corridor. The Government of Canada, in acting in the way it is going to act in a few days to come, are indeed cutting into a very essential service. These petitioners pray and call upon Parliament to urge the Government of Canada to not cancel in whole or in part rail passenger services in Canada.

Mr. Derek Blackburn (Brant): Mr. Speaker, I too have the honour and duty to rise under Standing Order 36 to present several petitions containing several hundred names of constituents of mine from Brantford and Brant county, but also from other centres in southwestern Ontario, severely criticizing, indeed, condemning the

government for even tampering with VIA Rail, let alone shutting it down to cities like Brantford.

At a town hall meeting yesterday afternoon, at which over 300 people turned out to a tri-level meeting, this petition was signed by many more people. The petitioners call upon the government not to terminate rail passenger service to Brantford, Woodstock and other communities in Ontario, but indeed to expand this environmentally-friendly and cost-effective means of transportation, if it was properly administered, properly funded and properly set up. Every other country is doing it. There is no reason why this country cannot do it.

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I rise today to present a petition on behalf of the Canadian constituents across this nation who are violently objecting to the proposed cuts to VIA Rail. VIA Rail is an essential service to those rural communities across Canada. Older people depend on this to keep their medical appointments at hospitals, particularly from Sarnia to London and in other areas of Canada. The petitioners humbly call upon this Parliament to urge the Government of Canada not to cancel in whole or in part, rail passenger services in this country.

PROPOSED GOODS AND SERVICES TAX

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I would like to submit a petition signed by many Canadians who are voicing their opposition to the proposed goods and services tax and who say that the proposed tax is just unacceptable. They just cannot bear the increased taxation. Many small businessmen and women feel that their businesses not only cannot handle the new tax but cannot handle the cost to them of collecting the tax.

VIA RAIL

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, in accordance with Standing Order 36, I am pleased to present a petition certified correct as to form and content and signed by dozens of constituents, ordinary Canadians, objecting to the government's intended plan to decimate VIA Rail. It is a pleasure to present this document on behalf of these petitioners.

[*Translation*]

OPPOSITION TO PROPOSED GOODS AND SERVICES TAX

Mr. Fernand Robichaud (Beauséjour): Madam Speaker, it is also my duty to present a petition from people in the Windsor area who, just like those in the riding of Beauséjour, want to express their unhappiness with the Government's planned legislation to tax goods and services.

[*English*]

The petitioners want to express their concern, whereas the imposition of this tax will create an onerous burden on small business and will also cause serious and unfair hardship to low and middle-income Canadians.

VIA RAIL

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, I have the pleasure to present a petition signed by residents of my riding of Kingston and the Islands and the neighbouring riding of Hastings—Frontenac—Lennox and Addington.

I may say that I collected these petitions personally on a VIA train going to Toronto one morning in August, and the persons I requested to sign the petition were persons who boarded the train at either Kingston or Napanee. There are 54 signatures on the petition, though a few others came along and asked to sign it because they had heard there was one on the train. This train deposited a large number of these people in Toronto and then presumably they came back by a train later in the day.

The rumour is that the government is considering cutting this train and it seems to me to be the height of folly because all these people do have to take the train back, so if they cut this train, how are they going to go?

These people who have signed this petition are praying for the government to avoid any cuts to VIA Rail and to save the national rail service to which Canadians have contributed for so long.

Mr. Nelson A. Riis (Kamloops): Madam Speaker, I too have the honour to present a petition pursuant to Standing Order 36 from people from Victoria, Vancouver, Coquitlam and Port Moody in British Columbia, who are distressed with the decision by the government to curtail VIA service in parts of the country, and to begin the dismantling of VIA. They are simply calling upon the

government to reconsider these cuts. They are asking the government to actually give VIA a sufficient budget in order to enable it to maintain its national mandate to provide passenger service.

PROPOSED GOODS AND SERVICES TAX

Mr. Nelson A. Riis (Kamloops): Madam Speaker, on a different topic, again it is an honour to present petitions on behalf of the residents of Kamloops, British Columbia, who are concerned about the government's proposed sales tax and are asking the government to simply back off from proceeding with this punitive tax.

Mrs. Marlene Catterall (Ottawa West): Madam Speaker, I have the pleasure to introduce a petition from Canadians who are concerned about the new goods and services tax, about its effect on higher inflation, higher interest rates and higher unemployment and in particular, the unfair hardship it will place on low and middle-income Canadians. They ask that the government abandon this proposal.

VIA RAIL

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, I too have the honour and privilege to table a petition that has been certified correct by the Clerk of Petitions pursuant to Standing Order 36.

The petitioners are all residents of the north shore communities of Rossport, Schreiber and Terrace Bay who are currently, and I emphasize currently, served by The Canadian. They point out that the Progressive Conservative Party said in its report on passenger rail services that the federal government has a responsibility to ensure that rail passenger services in Canada be retained, modernized and expanded as an important part of our national transportation system, and to that end, it is recommended that the federal transportation spending priorities be reordered to put a greater emphasis on rail passenger services. Obviously, the petitioners pray and call upon Parliament to reject the cuts to VIA Rail so that they can keep their only option in the wintertime.

• (1130)

Mrs. Beryl Gaffney (Nepean): Madam Speaker, pursuant to Standing Order 36, I am pleased to present a duly certified petition with 65 signatures from the city of Kingston protesting the Government of Canada's proposed cuts to VIA Rail.

These petitioners are most concerned for the economic health of their community and feel that the annual subsidies provided by the Government of Canada to VIA Rail are not disproportionate to subsidies required for roadways or airports. The petitioners urge the Government of Canada not to cancel VIA Rail.

Ms. Lynn Hunter (Saanich—Gulf Islands): Madam Speaker, it is my duty and honour, pursuant to Standing Order 36, to present this petition to the House. The petition is in support of VIA Rail. I was in my riding on the weekend observing the one hundred and third anniversary of the E & N Railway in my community.

This petition is from many people from both the lower mainland and from Vancouver Island who want the VIA network upgraded, both VIA equipment and the sufficient support to VIA to carry out its mandate to provide passenger service.

Mr. Pat Nowlan (Annapolis Valley—Hants): Madam Speaker, I too rise under the provisions of Standing Order 36 to present a petition which has been certified correct. It is a very even petition without any pejoratives in it.

It is from constituents from my riding, mainly from the Windsor and Hants County area, commenting on the rumours and plans to curtail VIA service and asking the Parliament of Canada to maintain VIA Rail at its present national network, to upgrade the service, to have new equipment, and to revise the costing arrangement with the railway companies.

In the meantime these petitioners will join the efforts of Transport 2000 and Rural Dignity of Canada in order to obtain fairness, justice and satisfaction for their legitimate demands.

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, I have the pleasure and the honour to present a petition on VIA Rail that has been submitted according to the rules and regulations governing such. This railway system has bound the nation together over the years and has played a key role in economic and social development of the nation.

If the latest information with respect to its possible reductions are carried out, there will be harsh and brutal effects on workers across Canada. I think particularly smaller communities in Canada, as well as large centres

such as Winnipeg, will be victimized. We call upon the government to invest in our rail system as opposed to destroying it.

PROPOSED GOODS AND SERVICES TAX

Mr. George Proud (Hillsborough): Madam Speaker, I rise pursuant to Standing Order 36 to present a petition on behalf of a number of constituents asking the government to reject this proposed goods and services tax.

Mr. Cid Samson (Timmins—Chapleau): Madam Speaker, it is my pleasure and duty to rise pursuant to Standing Order 36 to present a petition on behalf of a number of constituents in Timmons who humbly pray and call upon the government to reject the current proposals for a goods and service tax and further to reform the taxation system so that there is an effective minimum tax on wealthy individuals and corporations.

VIA RAIL

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Madam Speaker, I have the privilege today to table before this House a petition signed by the required number of signatories from the city of Belleville. It has been properly certified.

Signatures were received when the Liberal party embarked on the task force across this country to ensure that passenger rail service would continue. Obviously, from announcements that we anticipate in the next 48 hours, it is going to be severely cut. The petitioners ask this government to reconsider its position.

Mr. Steve Butland (Sault Ste. Marie): Madam Speaker, it is my honour and privilege to present a petition on behalf of citizens of Ignace, Ontario, hopefully not another lonely voice in the wilderness.

There are many, many voices in Canada that are rejecting the VIA Rail cuts and the proviso "Use it or lose it" has become "Lose it or lose it".

I am very honoured to present this petition rejecting these VIA Rail cuts.

Mr. Joe McGuire (Egmont): Madam Speaker, I have the honour and duty, pursuant to Standing Order 36, to present a petition to this house for the people of Kingston, Ontario, on behalf of the Hon. Member from Kingston and The Islands who are asking this government to retain our national passenger rail service in Canada.

Mr. Joseph Volpe (Eglinton—Lawrence): Madam Speaker, it is my honour and duty to present to this house, pursuant to Standing Order 36, an attached petition which has been certified correct as to form and content, from various citizens in southern Ontario from cities, towns and communities, both rural and urban.

They petition this government to reconsider its decisions regarding VIA Rail and to protect those interests of Canadians that have been generated by the rail system and passenger transport system, that have promoted tourism and economic activity, have tied Canadians together and have kept the lifeblood of this country running.

They petition this government to reconsider its decisions to cut VIA Rail and to instead infuse more productivity, funds and resources to making a very effective means of transportion even more so.

Mr. Rex Crawford (Kent): Madam Speaker, I am honoured and pleased to rise in the house today, pursuant to Standing Order 36, to urge the government not to cancel in whole or in part VIA Rail passenger service.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Acting Speaker (Mrs. Champagne): Shall all questions be allowed to stand?

Some Hon. Members: Agreed.

The Acting Speaker (Mrs. Champagne): Before recognizing the next member, I wish to inform the house that because of the ministerial statement, Government Orders will be extended by 13 minutes beginning at one o'clock.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S.O. 81—THE ECONOMY

The House resumed consideration of the motion of Mr. Turner (Vancouver Quadra):

That this House condemns the Government for its mismanagement of the Canadian economy, including:

1) the threat to impose a new 9 per cent sales tax that is regressive, inequitable, invisible and inflationary;

2) an unjustifiable high interest rate policy, with an interest rate spread between Canada and the United States that is at record highs;

3) negligence in the management of Canadian trade causing unparallelled reductions in our trade balance and a loss of jobs, and threatening the survival of many formerly thriving Canadian industries;

4)abondonment of Canadian primary producers with resulting undermining of the farming, fishing and forest industries; and

5)continued neglect of regional disparities.

Mr. Bill Kempling (Parliamentary Secretary to Minister of Employment and Immigration): Madam Speaker, I am pleased to address the house considering the government's economic record, in particular our record on job creation. I welcome this opportunity because since this government took office Canadians have experienced a wide economic expansion combined with steadily decreasing unemployment that, despite what the prophets of doom and recession may say, the economic expansion shows no signs of letting up.

One reason we have succeeded in turning the economy around was that five years ago this government committed itself to economic renewal and to the sometimes difficult measures needed to effect change and generate growth. In short, we had and still have a coherent comprehensive economic game plan based on the direction Canada must go if our labour market is to succeed today and in the future defined by new skills and demands and growing international competition.

On the evidence it would seem that the government's blueprint to generate meaningful long-term economic change is proving to be the right one. The simple fact is that since the government took office in September, 1984, unemployment in Canada has fallen from 11.6 per cent to 7.4 per cent and continues to fall. In this period the total employment has risen by 1,555,000 jobs and 87 cent of them are full-time jobs. More important, of all the new jobs created since 1984, 56 per cent have been filled by women.

When this government took office we recognized that youth employment was an area of particular concern, not only for our young people themselves but for the long-term health of the Canadian labour market. With this in mind the Minister of State for Youth has implemented far-reaching youth strategies with the provinces of New Brunswick and Newfoundland and is considering other initiatives to ease the transition of young people into the world of work.

• (1140)

On the broader front we have also successfully initiated two comprehensive agreements which have signalled a new era in federal-provincial economic co-operation. I am speaking of course of the Atlantic Canada Opportunities Agency and the Western Economic Diversification agency. These two initiatives, along with the industrial adjustment service and the Community Futures Program, have established a co-operative, pro-active approach to dealing with inevitable industrial or sectoral adjustment. Their successes in revitalizing companies and communities and saving jobs is directly related to involving the very people affected—employers, union representatives and community groups.

This government understood from the outset that the long-standing regional disparities could no longer be addressed through the traditional piecemeal so-called make work programs administered from central Canada.

Over the past five years progress has been made to minimize these disparities and, while much remains to be done, the processes and the programs are in place along with a new spirit of co-operation to generate long-term regional growth. Since 1984, employment has risen in every province, by 19 per cent in British Columbia and by more than 10 per cent in seven other provinces.

Just as significant as the number of jobs for Canadians is the type of jobs they have been getting. Through the Canadian Jobs Strategy, which we introduced in 1985 as part of our long-term economic blueprint, almost 1,500,000 Canadians have received training and on the job experience. After participation in a Canadian Jobs Strategy project most have gone on to permanent employment in positions relevant to today's labour market needs.

Consistent with the mandate of the Canadian Jobs Strategy, the large majority of participants have been those Canadians who are most in need—women returning to the workforce, young people who are unemployed or underemployed, the disabled and native Canadians. By turning decision making and budgetary leverage over to the regions, Canadian Jobs Strategy programs are operating with maximum impact and cost effectiveness.

It is clear that Canadians are responding to what they perceive as a necessary and workable package of initiatives to bring about economic renewal. The Canadian Jobs Strategy is part of that package. Comprehensive tax reform to bring about a more competitive tax system, including the GST, is part of the package. The free trade agreement is also part of that package.

I should say at this point that sales tax reform could raise employment from the start and create more than 60,000 in the private sector. The opposition always talks about the 4,000 people they say will be added to the public roll. I say again that they say that; we do not say that it is 4,000. That is their estimate. The fact is that there will be at least 60,000 new jobs created by the GST in the private sector.

Statistics Canada labour force surveys released since the agreement was signed in January show that total employment has risen by 209,000 jobs so far this year. This growth, moreover, is reflected in almost every sector of the Canadian economy, including manufacturing, construction, agriculture, communications, trade and real estate.

And for those determined pessimists across the floor who insist on seeing, indeed it seems almost hoping for, an economic downturn, let me quote some more recent statistics if I may. Over the last period for which figures are available, July to August, 1989, employment was up again by 73,000 jobs, all of them full-time, shared among men, women, young people. And during this period Quebec among all the provinces experienced the strongest growth. Obviously the remarkable expansion in the Canadian economy is not a temporary thing, but the government is determined to build on this growth, because we understand that to continue to prosper in the future a far-sighted approach to the skills requirements of our labour force and our labour market is needed.

In this regard the Minister of Employment and Immigration introduced an important initiative last spring designed to prepare our workforce for the future. I am referring to the labour force development strategy. As members of this House are aware our labour market is undergoing tremendous change. Canadian business and industry face challenges posed by technological change, expanding global markets and world competition. The labour force development strategy is part of the government's ongoing response to those challenges.

For the unemployed the strategy marks a significant shift away from passive income support toward programs and services which will help Canadians get working as quickly as possible. For those Canadians who do have jobs the priority will be to equip them with the skills the changing labour market demands. To do this we will be enlisting the involvement of the private sector, unions, educators and other groups as never before. Let me add that this involvement of Canadians from all sectors has been another cornerstone in our economic policy from day one.

It is the enterprise of Canadians that has fuelled and will continue to fuel our national economic renewal. The labour force development strategy is a massive and complex undertaking. I will not touch on the details at this time, many of which are still being worked out in consultation with Canadians from all sectors. But I will add that the strategy is fully consistent with our belief in long-term, fully integrated economic activity.

Canadians are well aware and appreciate this government's commitment to the economy and job creation. Our labour force development strategy underscores that commitment. By tackling the realities of a changing labour market we are working to ensure that Canadians will have the opportunities for productive employment in the 1990s and beyond. This and other contemporary economic issues are simply too large and crucial to address with the haphazard, stop gap programs of the past or programs that leave Canadian business and

industry on the sidelines when decisions must be made and policies developed.

The government recognized the need for long-term comprehensive planning when we took office in 1984. We recognize it today as we continue to take the necessary measures to build a foundation for economic success.

Mr. Mifflin: Madam Speaker, I would like to convey to the hon. member for Burlington that I listened with great interest to what he had to say. We have discussed this matter on several occasions.

I have two fairly simple questions. They are legitimate questions and are not made for any particular purpose. I would like to have the member's response if I may.

The first one is that to my knowledge the de Grandpré report, for which I think the government paid somewhere in the vicinity of $1.5 million to have completed, made a recommendation which was very much in keeping with the action that the government was taking, i.e., to combine the safety net of unemployment insurance with the trampoline offered in the sense of training. It was my understanding that we made that recommendation and that there were five members I believe on that committee; only one representative of labour, the rest were business. The recommendation was made that the training should be done but that the money should come out of a tax on business. I believe it was 1 per cent. I would like to know why that was not followed.

The second item is a legitimate question. I cannot understand why the government is getting out of unemployment insurance altogether in a very short time frame.

Mr. Kempling: Madam Speaker, what the hon. gentleman says is not quite correct. Bill C-21, which is another matter that we are going through in committee right now, puts a limit of 15 per cent on the amount of money that may be used for training. The balance of the training funds will come from the Canadian Jobs Strategy. I would venture to say there will be a lot more money paid out of the CJS than out of UI funds.

• (1150)

But that whole discussion is another argument that is being put forth by many people who comment on whether we should in fact use UI funds for training. When you boil it all down it is a matter of what you consider a benefit, whether benefits are just dollars or whether you can take someone who is presently contributing to the UI fund and becomes unemployed and use some of those funds to train him so that he can get back into the fund. In other words, benefits can be training as well as dollars. That is the legal opinion we have, and that is the way we are going to proceed in that regard.

The de Grandpré report had many things in it, some of which we agreed with and some we disagreed with. Consequently we did not put it all into effect. I think if we had we would have a larger howl from the members opposite than we have today with Bill C-21.

We are going to proceed with training, and that training is going to be supplemented by people in the areas and regions to indicate to us what training should be done there to enhance future employment of people who are presently unemployed.

Mr. Volpe: Madam Speaker, I have never heard so much gobbledegook and tripe on this discussion as I have heard from the member opposite. I feel offended as a member of Parliament, especially when the member opposite quotes a whole series of Statistics Canada figures that have already been contested in committee, and I am going to have to do it again.

The lower unemployment rate to which he refers is still higher than that which was experienced in Canada prior to the recession. For six years prior to the recession we had a lower unemployment rate than we have now. For six years prior to the recession we had a higher employment rate than we do have now. Those are the kinds of figures the government is using to justify withdrawing from unemployment insurance, even though constitutionally the purpose of unemployment insurance is to provide income support for those who find themselves without jobs in a period of duress.

What the minister and the member opposite are trying to do is boondoggle Canadians into thinking that that money is actually going to go into training. That too is not true, especially when he quotes figures like 15 per cent. The 15 per cent of premiums, according to 1989

estimates, will net the government $1.8 billion. Last year and for 1989 estimates under CJS for job training programs, the government has slotted less than $800 million. It has cut $700 million over the course of the last four years.

The Conservatives expect us to believe that while they are cutting funds from training they are going to use moneys that are derived for insurance purposes and for income purposes for training. I do not think Canadians are that stupid. We are certainly not gullible.

The member opposite is perpetrating an absolute untruth when he talks about the constitutionality of using that 15 per cent of funding because first of all that 15 per cent of funding is going to net more moneys than they anticipated. It is a windfall that they are going to abuse, and I say that deliberately because there is already some legal opinion that that 15 per cent constitutes a complete and total fundamental change of the UI system.

Mr. Kempling: If that was a short question I will give you an example of a very short reply.

When we took over the government in 1984 the UI fund was $4.5 billion in deficit. That has been repaid. It is now $500 million in surplus through fiscal 1989 and it will be $500 million in surplus after this year. What you have just said is total nonsense.

The Acting Speaker (Mrs. Champagne): The period for questions and comments is now over. Resuming debate with the hon. member for Nepean.

Mrs. Beryl Gaffney (Nepean): Madam Speaker, it gives me great pleasure to rise in the House today to speak on the motion of the member for Vancouver Quadra. It reads: "That this House condemns the government for its mismanagement of the Canadian economy", more specifically, the threat to impose a 9 per cent goods and services tax, high interest rates, negligence in the management of trade, abandonment of farming, fishing and forest industry and, finally, continued neglect of regional disparities.

I will first address the 9 per cent Mulroney sales tax. What we have here is a massive shift of responsibility from the federal government to individuals, to small business, to low income people, to our elderly and to other levels of government.

Let us first look at how this imposition will affect municipal government which of course the same taxpayer supports but from a different pocket. If I could I would like to refer to a brief submitted by the Federation of Canadian Municipalities to the minister of revenue.

The finance minister assured the Canadian municipalities that local government would not be used as a source of new revenue. The technical paper indicates that municipalities are to be rebated a substantial part of the remitted GST. But even so, there are considerable inequalities which cause a contradiction to the minister's over-all commitment.

According to the FCM report it is the failure of the proposed government formula to recognize the extraordinary administrative burden confronting municipalities under GST. There are several types of tax collection and remittance requirements to which they will be subjected. To name a few, they will be faced with the task of tracking the applications of any good or service acquired in order to determine the appropriate GST treatment, and the government formula will vary from municipality to municipality. Some municipalities will be winners and other municipalities will be losers.

Second, compensation for administrative costs applies to small business. Why not municipalities?

Third, cash flow costs are ignored while waiting for the rebate.

Fourth, the burden of a federal tax on top of a provincial tax will increase costs to municipalities beyond the amount recognized in the formula.

Fifth, the commitment of the Minister of Finance to municipalities was that services such as telephone systems, natural gas, hydro, water—they sell their water—would not be subjected to the tax increase, and yet the technical paper states the contrary. The Minister of Finance, in spite of that commitment to the municipalities, has reneged on all those commitments to those municipalities. Their only source of revenue is from the property tax base and whatever grants they are at the mercy to receive from the province and the federal government.

Government members have no one to blame but themselves when faced with a public that has nothing but doubt and cynicism over the government's true motives. First they said it would be revenue neutral then they said it would be visible. On both counts the government lied,

and therein lies the lack of trust the public has for this government.

Further, the government's misleading sales tax ad campaign shows contempt for Parliament and undermines the democratic process. Financially depressed regions of the country will be given not a double whammy but many, many whammies. First the 9 per cent GST, then a massive reduction in the federal government spending on regional development. Cut-backs on the UI program and transfer payments will be reduced to the provinces by one percentage point. Finally, those outlying regions will be the hardest hit with far higher transportation costs for all their goods.

High interest rates will go hand in hand with the GST and will for some time to come. Other ill effects will be higher taxes, higher inflation costs and fewer jobs. The government itself has admitted that the GST will raise inflation by two and a quarter per cent in 1991. We know that the Bank of Canada sets its interest rate by the inflation rate.

The GST will seriously affect trade in Canada. The Conference Board of Canada estimates that 72,000 jobs will be lost because of the GST.

My time allocation does not allow me to mention all the negative aspects of the GST, but is it any wonder that taxpayers are concerned?

• (1200)

The government has doubled tax revenues in five years, and yet has doubled the national debt in the same period of time. In addition, these five years were ones of unprecedented economic growth. The government earned billions of dollars in excess revenue over estimate in the past five years. What did it do with this money? It certainly did not go to reduce the deficit. This government has mismanaged the affairs of the country to such a horrendous measure that they are now panicking and moving forward to a disastrous GST.

I hope this government gains its senses before the citizens of this country revolt. The imposition of a 9 per cent sales tax, a consumption tax that will hurt those who can least afford it, is not acceptable or is a 7 per cent or a 5 per cent or a 3 per cent GST acceptable. This government must negate this whole plan and go back to the drawing-board to find a more equitable way of replacing the manufacturers' sales tax.

I have a motion which I would like to put forward. Given the importance of this debate and given the great opposition to the GST and the number of people who wish to speak, I move, according to Standing Order 26(1):

That the House continue to sit during the lunch hour.

The Acting Speaker (Mrs. Champagne): The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

Motion agreed to.

Mr. Ross Reid (Parliamentary Secretary to Minister of Fisheries and Oceans): Madam Speaker, it gives me great pleasure to stand here today and address the motion that we see before us, a motion that some of my friends opposite spoke to last week which gave me the opportunity to respond at that time.

If I could, what I would like, is to take this opportunity to speak in the inevitably short 10 minutes specifically on the fishery. The fishery is such a critical part, not only of my province of Newfoundland and Labrador but, indeed, of Atlantic Canada, parts of Quebec, certainly British Columbia and growingly, provinces in the areas that we do not traditionally consider part of the fishery. It is an industry that I would suggest is finally being recognized as a national industry. It is an industry that is important to all Canadians no matter where they live and whatever they do to make a living.

I am horrified by the motion we see before us which states:

That this House condemns the Government for the mismanagement of the Canadian economy, including—

The relevant phrase here is:

—abandonment of Canadian primary producers with resulting undermining of the farming, fishing and forestry industries;

Absolutely nothing could be further from the truth. This government has shown time and again that its concern is not only with those industries but the people and the communities that depend so heavily on those industries.

The policies of this government are focused on the long-term benefit, the long-term survival of these industries, of the fishery, to ensure that our people in our communities can depend upon a fishery that gives them a stable, a predictable and a worth-while remuneration for their efforts and which ensures the long-term benefit to those people and the long-term survival of those communities.

You cannot take short-term measures to exact long-term gain. There are no immediate responses to what is a complex and historical problem that has resulted from a myriad of a factors. We face in Atlantic Canada, and therefore in Canada generally today, an industry that looks towards some very difficult times, an industry that will demand consultation. It will demand imaginative and constructive public policy. It will demand strong response from government, from industry, from all of those who participate in and benefit from the fishery. It is that leadership that this government is and will provide to that fishery.

I look at the west coast in terms of the development of the Pacific salmon fishery. We had four good years of runs. We have gone from 13,000 metric tonnes in 1986 to 35,000 metric tonnes today. We have a strong shellfish and groundfish industry in western Canada, in British Columbia.

The free trade agreement panel is hearing the process there. Unfortunately, because of the death of one of the commissioners, there has been a problem. But with the appointment of Mr. Don Tansely who was a long-serving and is a well-recognized senior public servant that process will move ahead. This government has represented the interests of the British Columbia industry with vigour and determination.

The current situation in the Atlantic fishery has grown out of a number of interrelated and complex, scientific, economic, and historic factors. There are some things that we cannot control, such as exchange rates and lower margins of profit. But at the same time this government has moved ahead with a policy to address the problems in our fishery. That is specifically what I would like to discuss for a few minutes.

There are four cornerstones to that action. Particularly in recognition of this problem, the challenge that we all face in dealing with the problems in the Atlantic fishery, the Prime Minister has appointed a special committee of cabinet, senior ministers from a variety of departmental backgrounds to address the problem that we face in dealing with the scientific results on the northern cod stock. That committee will look at exactly what the situation is. It will look at what the options are for all of us, be we government, the industry, or those who depend on the industry. Then, we will develop the response of this government and lead those participating in this debate, this consultation, in dealing with this issue to ensure that we have the stocks that are necessary to protect the long-term availability of the resource that we so fundamentally depend upon, particularly in Atlantic Canada.

Second, the special task force that has been set up to deal with the fishery in Nova Scotia, known as the Haché task force, is designed to examine the state of the fishery off the Scotia shelf. This task force has been consulting broadly with a number of people. There have been public hearings. Mr. Haché will report to the minister and his findings will be discussed by the special committee.

Third, the government has made the problem of foreign over-fishing a priority of the highest order. From the Prime Minister to the Secretary of State for External Affairs, to the Minister of Fisheries, to the Minister for International Trade we have made it clear to the Europeans that the ongoing overfishing is of a disastrous nature. It is of such serious concern to this government that it substantially affects the relationship between two very good friends. This diplomatic effort has been carried out with the European Community generally and with specific members of the European Community, as well as with the United States of America which too, in the past, has refused to honour the necessities of sustainable development and the necessities of protecting that resource. That process continues.

• (1210)

The fourth cornerstone of our policy, something that will benefit both the Pacific and the Atlantic fishery, is to take steps to strengthen fisheries management and to introduce amendments to the Fisheries Act to protect the resource. That will involve increasing deterrents and the effectiveness of enforcement, updating and strengthening fisheries management systems generally.

As I am sure you and my colleagues opposite well know, Madam Speaker, we have taken a number of actions already to deal with some of the these problems. Enforcement has been substantially increased along the 200-mile limit. Fines have been increased. Our ports remain closed. We have increased the spending on science, particularly in response to the Harris commission report, by 80 per cent. We are spending $3 million more to ensure that the science that is carried out now is as good as it can be and that areas that have not been dealt with in the past are dealt with in the future. That particularly relates to things like hydro-acoustics and oceanography.

I would like to talk briefly about the goods and services tax that we have heard so much about and how it relates to fishermen. Neither farmers nor fishermen will charge tax on their sales of food-related products. Fishermen will get back the tax that they pay on anything they buy to use to run their businesses in the prosecution of the fishery. In the past the tax has been payable and been accumulated and people have not seen it. Not only will the GST not apply to the fish they sell, but any of the tax they get back on boats, gasoline, nets or anything at all they use in the fishery will come back.

To conclude briefly, this government recognizes that the fishery in Atlantic Canada is an integral part of the economy of this country. Problems that are faced by the Atlantic fishery are problems that all Canadians share. The policy of this government is designed to directly address that today and in the future.

Mrs. Campbell (South West Nova): I have listened to the Parliamentary Secretary to the Minister of Fisheries and a colleague from the Atlantic quite attentively. It amazes me that we can both represent a fishing area and come from the Atlantic yet we can both stand up in this House and declare that there is a very acute crisis in the fisheries on the east coast. Not only is it in fisheries, it is in other areas. It could be infrastructure because of VIA, or a decrease in air services or any of a multitude of areas.

I listened to his colleague talk about unemployment and what a great record their government has. The Member for St. John's East said, "There is nobody hurting in the fisheries. It is only a matter of different rates, the economies of scales, because the dollar has gone up against the American. We are suffering that hardship".

The municipal leaders of three counties, Shelburne where his colleague the Member for South Shore comes from, Yarmouth and Digby, met this summer. They asked to meet with the Minister of Fisheries. They have not had an answer to their request, which was made over two months ago. They have had no recognition from the government opposite. They have not been able to meet with his minister, the minister to whom he is parliamentary secretary.

I say this because there is a hardship. I met a man who has fished for 38 years, 18 or 16 of them with his father and over 20 on his own. He has had seven weeks of employment. That is unheard of in southern Nova Scotia. It is absolutely incredible that in this year—because he had his boat in the boat shop—he has only fished seven weeks when we are there where the fish are and we see the Cape North 30 miles away.

Could the parliamentary secretary implore the Prime Minister to come down and meet with the people in Lockeport, meet with those people who are unemployed, meet with all the plant workers who have not worked for two and a half months this year and two months last year because of the policies of his minister on the fishery, because of the bad management plan? Will he look at the Haché report that he talks about and present the people who came before that commission to the cabinet committee? It is out of the minister's hands. When you set up a cabinet committee to look at the policies of a minister you have taken it away from the minister. It is up to that cabinet committee.

Would he, as a member from the east coast, ask the Prime Minister to act quickly to ease the hardship in the fishery, look at what is happening with many, many thousands of people? I think it is about 11,000 in those three counties who had work in the fisheries who are not working in the groundfishery because of the policies of his minister.

Would he ask the Prime Minister to go to Lockeport this week, Wednesday night, or the Minister of Fisheries and Oceans who we have not seen on the east coast? There is an east coast. I do not think he was there all summer. We were off all summer. We asked to meet with him. We have not seen him. Maybe the Parliamentary secretary could be sent to Lockeport on Wednesday night to go with his colleague from South Shore who has

to face those many unemployed people. Would he ask him?

Mr. Reid: Madam Speaker, first and foremost, I would like to correct one thing that my colleague opposite has said. She put words into my mouth. She claims that I have said that nobody is hurting in the fishery. I said no such thing. It would be folly to even think any such thing. I know, as she knows, that people are hurting in the Atlantic fishery. I know, as she knows, that there is the potential that a lot more people could hurt in the Atlantic fishery.

But I know, as perhaps she does not know, that there are not immediate, instant solutions. I also know that the people who understand the fishery, who know what the fishery is all about, recognize that there are no instant solutions. The problems that have emerged over years and years result from a variety of reasons, some of them management, some of them science, some of them caused by foreigners, some of them caused by ourselves. But our solutions will come only with a reasoned and reasonable, well-thought out, informed position to start from, and a concerned, conscientious approach to the problems over the longer term.

The hon. member opposite has no corner on concern and, clearly, no corner on knowledge of the fishery. This minister and this government have shown by reacting, by forming a cabinet committee, by appointing the Haché Commission, by dealing with the problem in a consensus-based, organized fashion, not by sitting bleating, putting words into other people's mouths.

The Acting Speaker (Mrs. Champagne): The period for questions and comments is over. There is only five minutes and the hon. member for South West Nova took four of them.

The hon. member for Winnipeg South Centre on debate.

Hon. Lloyd Axworthy (Winnipeg South Centre): Madam Speaker, the problem with fanaticism is that it blinds one to reality. It is unfortunate that the last member who spoke, a new member of the House who came in with great expectations, has so quickly been absorbed into that fanatical obsession that this government has had about its own peculiar way of managing the economy of Canada. It has blinded him and others to the hard reality of what is taking place in this country. It is too bad that a gentleman who feels so passionate about his region is so blind to decisions taken by his government which are totally eroding the position of the fishing sector, the primary agricultural-forestry sectors of this country, not by some act of God's will, not by some long-term change in the atmosphere, but by direct decisions undertaken by ministers of his government over the last four or five years. These decisions have put the fishing sector in a precarious position. They are now doing the same with agriculture, and with all our primary producers, all our commodity sectors in the economy.

• (1220)

I put to the hon. member the simple but clear decision taken by his government under the free trade agreement to surrender the right of Canadians to apply export taxes to protect their own primary producers on processing. How does he get up and say that somehow someone made us do it when, in fact, it was the signature of his Prime Minister on that agreement that surrendered the one area that would provide, under the fish processing decision, the processing industry on the west coast and, ultimately, the east coast, the right to protect their own industry? It was not some far off, distant, foreign, unknown stranger who did it. It was his Prime Minister.

We now face a situation where we already have an interim report on the fish processing dispute on the west coast, where we clearly see where the decision will go, that the Americans are going to win the case. In the meantime we have given up. We have surrendered. We have voluntarily thrown away the legitimate means at our disposal to protect our processing industry.

Yet that member has the gall, the effrontery and the nerve to stand up and say, "It is somebody else's fault". Sir, it is your fault. It is your government's fault that the the fishery industry of Canada has been put in jeopardy. It is about time you started answering honestly for your responsibilities.

Some Hon. Members: Hear, hear!

Mr. Axworthy (Winnipeg South Centre): I say the same thing when you go to agriculture. Once again, we are pretending that somehow there is some far distant secret move afoot to undermine agriculture. Well, Madam Speaker, I point to you the decisions being taken in the

dairy industry. We talk about the fact that we now have a GATT decision saying we cannot use import controls.

That man of great integrity, the Minister of Agriculture and Deputy Prime Minister says, "Well, it has nothing to do with free trade. It is that GATT decision. What am I going to do about it?". What he forgets, and what the members opposite forget, is that during the debate on free trade, his predecessor, the former minister of agriculture got up and said, "Now, look it, I recognize that by taking the tariffs off on all these agricultural products, on food processing, on dairy products, that that will put our supply management system in jeopardy". Those were the words of the Hon. John Wise, former Minister of Agriculture. He said, "But I have a solution. I will give you a guarantee. I will put a control on imports of yogurt and ice cream." Well, we all said, "We do not think it is going to work, but let us give it a try".

They knew right from the start that that was a phoney, that that was a placebo, that that would disappear. Now it is being challenged and the government has no recourse. It knows that the entire supply management system of Canadian agriculture is under attack. They say, "We did not have anything to do with it". It was their signature on that agreement. They put their name on the document. They knew full well what they were doing. Now they put the entire dairy industry—in fact the entire supply management system—under jeopardy.

Similarly, let us take the pork decision. Once again, we on this side of the House said, "Now, wait a minute. What the free trade agreement is going to do when it is signed is entrench into law U.S. trade requirements. We are going to have to administer U.S. trade law". The Americans, who are pretty smart and shrewd about these things, slipped in the new law last summer, the omnibus trade bill. They rewrote their trade law just before the free trade agreement came into being. They rewrote the definition of what a subsidy is. They rewrote what we could do. So we signed the agreement. The Prime Minister stands up flag-waving, bands beating, saying alleluia, it is a great day for Canadian agriculture. In the meantime, knowing that what we have signed ourselves to is a sentence which says that we can no longer have agricultural stabilization programs, or regional development programs, or agricultural support programs. It is no longer allowed because the free trade agreement, inscribing as it does U.S. trade law, prevents it. Now, there is all this fuss and bother, "We have got to go to the GATT again".

I recall during the election campaign as I debated across the country with the Hon. John Crosbie said, "You know, the reason why Canadians should accept the free trade agreement is because we do not have to worry about the GATT any more. It is going to give us secure, guaranteed access to the U.S. markets".

Now, when we get into trouble, who are they running off to? We had better go back to our old friends, the GATT. What a difference a couple of months makes.

It is no wonder the minister does not want a report card. Because under that report card, whoever would be authorizing it would not only fail the minister, they would send him back for remedial training. The fact of the matter is they knew what they were doing. At the same time in agriculture they were saying, "Well now, we are going to protect all of these agricultural programs". Yet, they had put together their own position paper at the GATT, under the Uruguay round, suggesting that they were going to negotiate away all these subsidies. There it is in their own documents that they tabled in Geneva. They now think we have to renegotiate all this.

The Hon. Member gets up and says, "Hey, we are doing everything we can for the primary producers in this country". They are the forgotten people in this country. They are the ones who feel that this government does not speak for them. There is no voice, there is no one to listen, they simply ignore them.

Of course, when you come down to the fundamental question as to why a lot of this is happening, let us talk for just a moment about the interest rates in this country and the exchange rate that goes along with it. I put on the floor of this House, Madam Speaker, this direct charge and I want the government to answer it. As part of the negotiation, as a side part, while the minister and others were off negotiating free trade, the Minister of Finance was off negotiating with his American counterparts an understanding that we would substantially increase the exchange rate on the Canadian dollar. That was part of the deal. It was not written in words, but that

was part of the deal. That is the reason why, right now, that we sit with an 85–cent dollar.

It is why in the last report from Stats Canada, exports in this country nosedived by 8 per cent. We now have a maximum of $127 million surplus in our trade account. That is the lowest in ten years. We are almost at the point of running a deficit in our trade account. That is no accident. It is no coincidence. It does not happen by some manipulation amongst the gods. It happens directly. One of the prices we are paying, a consequence of our new economic relationships, is the fact that we now have the highest point spread on interest rates in the history of this country and an exchange rate which has no basis in the economy whatsoever, except the fact that we made a deal. As a result, whether you are a fisherman, a farmer or a lumber producer, you are paying the price.

On Friday afternoon I quoted in this House figures from British Columbia which pointed out that the profit margin in the softwood lumber industry of British Columbia fell from a high in 1987, $357 million to $6 million in 1988. That is a direct consequence, a direct result of this government's signature on a piece of paper with the Government of the United States.

How often can we have members from the opposite side stand up and somehow pretend that our export market is dropping in a barrel, that primary producers are losing their markets, losing their protection, losing their supply-management, losing their right to market, that all these things are an act of will? There is only one place where the responsibility must be carried and that is on the government opposite. It put their finger on the button. The government signed the paper. It is about time that it gives up this fanatical obsession with the goods and services tax which will only exaggerate the problems all the more, and got back to some serious management of this economy so that once again we can show our primary producers in this country that they are not the forgotten people of Canada.

Mr. Butland: Madam Speaker, I would like to thank my colleague for Winnipeg South Centre for refocusing on the free trade agreement, which I understand the government no longer wishes to talk about. The government suggests that it has won the public relations battle and are into a new public relations battle, the goods and services tax. So, it is important that we refocus again on the free trade agreement and report cards should be issued. Indeed, it will be labelled a failure.

• (1230)

On the rulings that are going to come before the panel in the not too distant future, it would appear that we are going to lose the fishing ruling.

Very important to my constituency is the steel rail ruling which one year from now I understand, in all likelihood, we will lose. Despite the fact that there is an airtight case, there is every indication that it is an unwarranted, illogical, ridiculous, no proof kind of a judgment by the commerce department of the United States. They are suggesting that there is no basis in fact for the ruling, but it is likely to injure the Canadian steel producers in the future. But, nevertheless, application of American trade law suggests that in fact we will probably lose that ruling as well.

I would ask the member for Winnipeg South Centre, given his free trade expertise, what would his reaction be should we lose both of these rulings? Were he given the opportunity to act, what alternatives would he take?

Mr. Axworthy (Winnipeg South Centre): I suppose the opportunity is one that we clearly stated during the election campaign. We have to get rid of a deal that sells out Canada. That is the starting point.

Unfortunately, what we have found in this deal—and now it is coming home to roost—is that it is skewered against us. The member just pointed out the decisions on steel, on pork and on other areas. The fact of the matter is that what FTA requires us now to do is basically implement U.S. trade law. They changed their law. They rewrote their law to give them the advantage. Therefore, we have substantially weakened our ability to make claims in the international circles, in the international tribunals.

The GATT panel on pork, on dairy products, or steel, is going to say: "Hey, Canadians, you were consenting adults. You got into this relationship with the United States. You knew what you were doing. Don't ask us to bail you out of a bad relationship, a bad deal". All of a sudden we will be forced into a position where—we could normally have referred these kinds of questions and got a reasonably objective decision—we have to recognize now as Canadians that every decision taken at the GATT will be substantially influenced by the existence of the free trade agreement. It is there and it will set the tone. Furthermore in many cases it will supersede

any GATT decisions. Therefore, we may get a decision on pork favourable to us under the GATT, but it would not apply to the United States because of the free trade agreement.

We will be forced into a position where we are the odd person out. We will be standing out as one of the eccentrics in the world of international trade because of that agreement. It puts us in a perpetual inferior relationship in gaining proper secure guaranteed access to world markets and to the American market. Clearly, as we said right from the outset, it is time for Canadians to take a hard look at what they got themselves into and take a hard look at how we can get out of it.

Mr. Speller: I thank the hon. member for his wise comments. Is he aware that the American wheat growers are also planning to file a request under section 409(b) of the free trade agreement that could lead to a countervail by the U.S. administration against Canadian wheat farmers? Canadian wheat farmers have always grown and traded fairly. Is the member aware of that?

Could he tell me whether or not, given that we have seen the Americans retaliate recently on pork and given that we have seen the decisions regarding the dairy industry, he feels that in fact the government knew what it was doing when it signed this free trade agreement? Were they merely trying to mislead Canadians, or did they actually know what they were doing prior to signing the free trade agreement?

Mr. Axworthy (Winnipeg South Centre): I am never sure that this government knows what it is doing, certainly when one considers its track record. I can tell you what it has done. By becoming involved in that agreement it has put the prairie regions, and in fact the wheat growing and grain growing areas of the entire country, in a position where we are going to lose the structures that we have taken 50 years to build .I am speaking of the Canadian Wheat Board marketing systems, two-price wheat system, all those areas where we have carefully moulded a framework in which we could ensure price stability and active marketing of our products. They are now the number one targets of the United States. Of course what happens, again going back to the U.S. trade legislation, is that they gave themselves new weapons to use which we did not and which we in the opposition warned about.

For example, Durum wheat farmers had the Department of Commerce doing their research for them. They are now getting free assistance from their government and all we get from our government is standing on the sidelines in a fit of absent-mindedness while those kinds of attacks upon the basic structure of our wheat growing areas go on.

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, it is my pleasure to participate in the debate today of the opposition motion. In part, the Liberal motion states:

> That this House condemns the government for its mismanagement of the Canadian economy, including—
>
> 5) continued neglect of regional disparities.

I do not agree with that statement in its entirety. What this government has done is not just neglect regional disparities, but it has gone on an outright campaign to attack the regions of this country. Nothing is a greater example than what it is doing with rail passenger services.

I want to spend a few moments going through the list of routes that every document that we have seen would suggest that the government is going to cut. It is my understanding that those cuts will be announced later this week. Let us start with Atlantic Canada, an area of the country that I have been spending a fair bit of time in learning how it is different and how it is similar to the area that I come from and seeing from riding the train there and talking to people the direct impact that these cuts will have.

For example, the Halifax to Sydney run currently accommodates 102,000 people every year; an incredible number of people using a very small and antiquated train, a train that we gave up in the central corridor years ago. They have got our hand-me-downs, but 102,000 people are using it.

When I talked to the people I found out why they were using the train. From Sydney alone there are over 10,000 men and women, but primarily men, who must go to Halifax for worker's compensation reasons, either for assessment, treatment, or for rehabilitation. Ten thousand people a year use that train. This government, in its wisdom, is going to force those people on to the highways of Nova Scotia, highways that are becoming ever crowded with major trucks including the haulage of coal,

becoming less safe, less sensitive to their needs in terms of injured workers. Thousands more take the train to go to Halifax for medical care unrelated to on the job injuries.

Throughout the whole Atlantic, the Atlantic route itself, 267,000 people a year use that train.

The Deputy Prime Minister told the people of Atlantic Canada a few years ago: "Use it or lose it". He gave them a target of 200,000 riders for the year 1990. Two years ago they met that target and now they are exceeding it. They used it, but now this government wants them to lose it.

The other interesting aspect of the Atlantic region is that 20 per cent of the passengers who use the Quebec City to Windsor corridor come off the Atlantic. It is fine and good to say that we will keep the corridor, but there are 20 per cent of the corridor passengers who will not be coming by train. The chances are they will not be continuing by train, but they will have been forced into using the air or bus modes and more than likely will be driving their cars.

The Halifax to Yarmouth line, 47,000 people; the Moncton to Edmundston line, 10,000 people. Clearly, a vast majority of the people of Atlantic Canada use the train on a regular basis. But, instead of providing them with the equipment that will make their riding more comfortable, instead of ensuring that they have the money to do the proper marketing to attract more and more tourists into Atlantic Canada, not just from the New England states but from Europe and from Asia, this government is going to pull the plug on the Halifax to Sydney run, the Halifax to Yarmouth run, and the Moncton to Edmundston run.

• (1240)

Even the Ocean Limited train that travels the North Shore, which is a very scenic route, is going to be reduced to three times weekly. It is ideal for the tourist trade, but because of the meandering nature of the trackage it is not designed to move people from point *a* to point *b* in a reasonable length of time. It will see a decline in usage, which I am sure is what the government wants, and in three or four years from now, if they get their way on this one they will say that people were not using it, our deficit is too high, so we are going to have to cut it.

Let me skip to the other end of the country to British Columbia and Alberta. This weekend on Vancouver Island the one hundred and third anniversary of the E & N Line was celebrated. As a passenger service, it is 103 years old. That line, the only line on Vancouver Island, is to be eliminated by this government in spite of the fact that I am told that it was part of the agreement between British Columbia and Canada when British Columbia joined Confederation. Therefore, there may be more that will happen if the government tries to go through with its plan.

On that line 45,000 people a year use that train. I am told by my colleagues from Vancouver Island that that is in spite of the fact that it goes the wrong way at the wrong time of day. Instead of providing a service from the northern parts down to Victoria so that people can come into Victoria for cancer treatments or for economic reasons, it goes the other way. We think it should do both, so that we are using the service as a tourist facility to take people throughout the island but at the same time take the residents of the island into Victoria for the business they have to concern themselves with. But 45,000 people are already using it.

In northern British Columbia the Jasper to Prince Rupert run is going to be reduced to a summertime operation only. This shows once again that this government does not understand the nature of rail transportation in this country. They will quickly point and say: "But those people along that line have other modes of travel. They have air, roads". The people who are saying that are people who drive around in chauffeured limousines on major expressways or who fly in a government plane somewhere. They do not understand that in the wintertime in some of these smaller communities along that line you take your life in your hands getting into a car and driving some place because of the treacheries conditions that exist there, particularly for senior citizens who have driven for years but now recognize that they would like to stay around on this earth a while longer and feel that it is better for them to ride the rails. They are not going to have that option any more.

That is no different from what this government is going to do to my region of the country in northwestern Ontario. The historic Canadian is also the only rail transportation around the north shore of Lake Superior. It parallels the Trans–Canada Highway, a highway where we literally kill dozens of people every winter in automobile accidents. The people in Terrace Bay, Schreiber, Rossport, White River, and all along the north shore, at least today and so far for the first part of this winter, will

have the option of catching the Canadian into Thunder Bay. But thanks to this government they will lose that option. Most of them do not have air transportation as an option, so the only recourse they have is to use the bus or an automobile, and studies have shown that people will use an automobile before they use a bus.

Clearly this fundamental destruction of rail passenger service in this country is an attack on the regions, even in southern Ontario, which will do okay because the corridor will be saved. My colleague, the member for Brantford spoke this morning when he was tabling petitions. His community is going to lose VIA Rail service. The community of Havelock will lose VIA Rail service. From the community of Niagara Falls, all the way up to Toronto, including Hamilton, will be served by Amtrak. How ludicrous, or is it?

Is it all part of that grand design that started with deregulation and then free trade to allow the Americanization of our transportation services? Freight railroads have running rights up into Canada now. Now Amtrak is going to come up to Toronto. Not just like it does in Montreal to make the connection with the American system, which makes a lot of sense, nor like it did when the corridor train at Windsor becomes an Amtrak train to provide that connection into the States, but this is to provide service within Canada. That is our job. It is our job to provide that service.

The impact on the regions will be devastating. We know that in tourism alone, passengers who use VIA Rail who are tourists from outside the country spend in excess of $600 million a year. That will be gone. That will not be replaced by some entrepreneur who will pay an arm and a leg to use CN or CP.

I could go on and on. It is a subject dear to my heart, almost as dear as it is to the member for Regina—Lumsden. In conclusion, we will not give up. We are going to fight this to the bitter end.

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Madam Speaker, I am pleased to be able to participate in this debate from the perspective of a person who represents an area dominated by agriculture and small business.

Noting that my colleague from Brandon—Souris very eloquently addressed the agricultural end of this motion last week, I would like to talk from the perspective of small business.

What we are hearing is a recitation by members opposite of tax increases and expenditure reductions and the suggestion that there is something inherently wrong with that twin thrust. Surely it is time for a little bit of back to basics reality in this country.

At this point in time we have approximately a national debt of $330 billion, probably in the area of $350 billion by spring. Every cent, every nickel represents overspending by previous Liberal governments plus the unpaid interest on it.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): You have doubled it in the last five years.

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Madam Speaker, I appreciate the input from the opposition member who suggests that it has been doubled in the last five years. Yes, it has, because of the effect of compound interest on Liberal overspending. I challenge the members opposite when it comes time to question me to ask me about the composition of that debt, and I will be very happy to respond to you. I challenge you to do so.

I think it is clear to most reasonable Canadians—not to the opposition but to most Canadians—that we have to take in more revenue and spend less. That is the only way we are going to dig ourselves out of the economic mess which we have in this country.

Yes, Madam Speaker, taxes have increased. Unlike our profligate predecessors, however, we are spending far less on government programs than we take in in revenue at this point in time.

A number of other significant measures have been undertaken. Approximately 12,000 positions have been taken out of the federal bureaucracy, thus reducing its size to approximately the level it was back in 1973. There has been privatization of a number of non-essential Crown corporations, and I think here about enterprises like de Havilland and Canadair, which as Crown corporations were a continual millstone around the necks of the

Canadian taxpayers. They have been sold off the private sector and are flourishing today, employing more people than ever before. There is no reason why government has to own these enterprises. A government that can tax and can regulate surely has no need to own these things.

There have been further measures taken. The budget of this spring is the impetus for this debate. Yes, there are government spending reductions. They have been mentioned here: VIA, various military bases, CBC, other programs. How on earth can you reduce government spending if you do not eliminate some programs? It seems quite obvious to this side and to most rational Canadians that there has to be a response to the debt and the deficit problem, the cause of which I think we all know.

• (1250)

In addition to the measures that have been set out, tax reform is an important factor. It is part of our program whereby we are going to discipline spending and reduce the deficit. Sales tax reform means that the goods and services tax will replace the existing federal sales tax. There is nothing new about it at all. There has been a federal sales tax in this country since 1924. For 65 years Canadians have been paying a sales tax and it is a lot of money—$17 billion in federal revenue coming in this year as a result of the federal manufacturers' sales tax. That is the second largest source of revenue which the federal government has, and obviously it must be replaced by something else.

There is only one thing that all parties agree on in this House, and that is the recommendation that the existing federal manufacturers' sales tax is fundamentally flawed and therefore ought to be replaced. The finance committee unanimously passed a motion last year saying exactly that. Therefore, the Minister of Finance, quite responsibly, has brought forward a proposal for a goods and services tax. Thank goodness it has prompted debate in the country. For the first time many Canadians are becoming aware of the fact that there is a sales tax in existence, that it gathers in a lot of money, but it is hidden and people do not know about it. The more debate, the more discussion, and the more consultation we have about it the better. The proposal is out there.

There are some people who are saying that perhaps the base for this sales tax ought to be broadened. There are people who say to eliminate basic food, keep it out of there. They are the same people now who hypocritically are criticizing government in the grey areas of take-out food and restaurants versus basic food.

Either you tax everything, or if you narrow the base you are going to have problems with exemptions. That is common sense but certainly I suggest not worthy of criticism from the people opposite.

Under the current federal sales tax we have four rates: 9 per cent, 11 per cent, 13.5 per cent, and as high as 19 on some goods. We are taxing the business inputs of our domestic companies while our foreign competitors are not similarly handicapped. This puts our companies at a major marketing disadvantage, both at home and abroad. That costs us jobs.

In addition, for most products the import price on which the tax is calculated does not include the foreign manufacturers' costs of marketing and distribution, while the price on Canadian manufacturers' products generally does. The result is that on average the tax paid on most taxable Canadian products is fully a third higher than the tax on competing imports. The importer pays less tax and thus can charge less. That makes us less competitive and it also costs us jobs. That, of course, is why the Minister of Finance has referred to the existing federal sales tax as a silent killer of jobs. That is why I believe most responsible Canadians, and indeed the opposition parties as well, have suggested that that tax has to go, that it should be replaced.

Other industrialized nations have recognized today's economic realities and have changed their tax systems accordingly. No other industrialized nation, with the exception of Canada, continues to have a manufacturers' sales tax. Why would we want to continue to shoot ourselves in the foot?

The first proposals for changing the federal sales tax were made back in the early 1940s. There are all sorts of problems with it. What to do about it? Why introduce a GST?

First, it will contribute to the deficit reduction effort and help ensure that we can continue to pay for the programs and services that Canadians value. Second, the GST is an essential element of this government's plan to make the changes necessary to ensure that Canada can compete in the modern world. The GST will fully remove federal sales taxes from the production process in Canada. It will reduce the cost of investment and improve the ability of Canadian producers to compete both in foreign markets and against imports from other countries. The GST will end the anomaly of a tax system

that favours foreign producers over Canadian businesses on our home turf.

There are some 750,000 small businesses in this country. They are the key, the generator, the engine for economic growth. They are the ones who have responded positively to the policies of this government and have expanded their businesses and created new ones with the result that there are over 1.5 million more Canadians working today than was the case five years ago. I salute the small business entrepreneurs, small business investors in this country, because they are the people who are responsible for that incredible record growth.

These businesses will be able to claim input tax credits to get back the tax paid on the purchases that they require for their businesses. They will simply deduct the tax paid on their purchases from tax owing on sales and remit the difference in each filing period. This will ensure that all tax is totally removed from inputs in the production process.

There will be a suggested threshold so that businesses with sales of less than $30,000 can choose to be in the GST system or not. There are streamlined accounting procedures ready. The government will help out with compliance costs. There will be assistance to businesses that wish to purchase more sophisticated point of sale equipment in order that they can write these expenses off for tax purposes. They will receive an administration fee to assist them in the remittance process. All of these measures are designed to keep compliance costs down and increase fairness between small and big business.

Third, it is a fair tax. There are some who have suggested that it is regressive. I fail to understand this. I think it is a knee-jerk reaction from those who have nothing better to do than criticize this government, no matter what. Surely a tax where the more you spend the more you pay is the fairest possible tax, the consumption tax. The people who have money spend more and pay more tax. Those with less income, lower income families, will be protected through a generous refundable tax credit in order to shelter them. It seems to me an eminently fair and progressive tax.

The GST is an essential part of this government's plan to build a stronger economy for Canada, an economy which is not overburdened with a massive debt and debt service charges which threaten future growth and our ability as a country to withstand changes in world economic conditions.

It will improve the fairness of the over-all tax system by putting in place measures to protect lower and modest income Canadians. The benefits of sales tax reform will be substantial, the GST will result in higher incomes and a higher standard of living for all Canadians. It is the right thing to do and that is why this government is proceeding with it.

The Acting Speaker (Mrs. Champagne): On questions or comments, the hon. member for St. Boniface.

Mr. Duhamel: The hon. member referred to this as a fair tax. I wonder if he could indicate to me in what way it is fair to students who will be attending colleges and universities, who will be paying additional taxes on a number of services and goods, whereby the education that they are trying to pursue so that they can contribute to our society will in fact be costing them more.

How will it be fair to seniors and those on fixed incomes who will have to pay a disproportionate share of their income in order to survive in Canadian society? How will it be fair to small businesses that will have to handle this nightmare, for they will be given roughly $600 a year to do so and it will cost them three to four times more?

I could give some other examples, but I want the member opposite to go on record and tell me how it is fair to students, seniors, people on fixed incomes and small businesses, and no gobbledegook, please.

The Acting Speaker (Mrs. Champagne): The hon. member for Swift Current—Maple Creek—Assiniboia.

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): There will be no gobbledegook from this side. All the turkeys are sitting opposite there. This is a tax which is fair to all Canadians. The fact is that the people over there saddled this country with a debt which is approaching $350 billion through constant program overexpenditure year after year after year. They handed out the goodies, and they did not have the gumption to tax Canadians sufficiently for that.

Now, for the first time in 25 years, we have a government which is prepared to face up to the music, to get back to reality, to try and bail this country out of the economic chaos that it is in. Is there any co-operation over there from the guys who did it? Not on your life. They are laughing their heads off over there, Madam Speaker.

There is not a single positive suggestion coming from members opposite. All it is is that mindless, mind numbing criticism: "The tax is terrible. It is awful. Don't cut VIA. Don't cut transfers. Don't reduce government programs. Increase taxes. Build the deficit". Let us have a higher national debt. Let us keep going until all the tax revenue in this country is used to pay interest on the national debt and there will not be a single nickel left over for seniors, not a nickel left over for students and the small business community is going to say, "Why bother? Let us all go and work for the government". That is the kind of nonsensical approach that we were going to get and that Canadians were heading for when they had the boys across the way in charge of things.

• (1300)

Mr. Jordan: Madam Speaker, my hon. friend attempts to play down the effect that this GST is going to have on ordinary Canadians. This is not my basic question—I will get to that—but if it is so commonly accepted then why is there so much furore from his own caucus?

It is a good idea to do this, he says. Perhaps he can answer my question.

It was supposed to be up front and it is not. Why not? Why is the tax not up front? Canadians were promised that. It was supposed to be revenue neutral. Remember that? It is not. It was supposed to be simple. Ask any small corner store operator if he so far has envisaged this as being simple. Could the hon. member answer those three basic questions?

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): Madam Speaker, I welcome the opportunity. First of all, who likes taxes in this country? I do not, and I am sure the people opposite do not like it. The member expresses some amazement that there are people in the country who do not like the thought of what is perceived as a tax increase. I think, first of all, it is time that the opposition stopped persisting in this fallacy that this is a new tax. What we have is a replacement for a tax which—

Mr. Duhamel: Get serious.

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): —they themselves agree is fundamentally flawed, cost Canadians jobs, is ruining our economy and must be replaced and which they, in all the years they were in charge, did not have the gumption to face.

Some Hon. Members: Oh, oh!

Mr. Gauthier: You are comparing bananas and carrots.

Mr. Duhamel: Answer the question.

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): Oh, they are aroused over there. Madam Speaker, may I have more time because what I would like to do is outline some figures that I have here relative to government spending. On a current account basis because that is the basis for everything here, talking in terms of a current account—

Some Hon. Members: Oh, oh!

The Acting Speaker (Mrs. Champagne): The Hon. Member is asking if there is unanimous consent for him to continue with his answer.

Some Hon. Members: No.

Mr. Gauthier: With that nonsense? Of course not.

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): There is the answer, Madam Speaker, they do not like to hear the truth.

The Acting Speaker (Mrs. Champagne): The period for questions and comments is now over. Resuming debate.

Mr. George Proud (Hillsborough): Madam Speaker, it certainly is a privilege to be back in Parliament and I appreciate the opportunity today to speak to the motion that is before the House.

Contrary to what the member across has just said, the state of the Canadian economy at present and the effects that a myriad of government proposals will have on Canadians for years to come is certainly not a pleasant theme to address.

As I travelled through my constituency of Hillsborough and other regions of Canada this summer, I was inundated with a barrage of complaints from the average hard-working Canadian. People are furious with the government for trying to impose upon them a completely new and unfair tax system. They are furious with the destruction of their national rail system. They are furious with the proposed changes to the unemployment insur-

ance program. They say, "What right does the government have to take 15 per cent of the workers' contributions to UI given in good faith and use them for retraining programs that are the government's responsibility to provide?"

My home province of Prince Edward Island is reeling from the economic impact of the CFB Summerside closure. No solutions or alternatives have been offered or even suggested to them. And how will they recover and replace this massive loss? And will they ever recover from the sense of betrayal and alienation?

All of the government initiatives outlined in today's motion are playing havoc with an already vulnerable economic base in various regions of Canada. I submit that the future is especially bleak in Atlantic Canada where deep regional disparity already abounds. Prince Edward Islanders, Newfoundlanders, New Brunswickers and Nova Scotians do not mind paying their fair share, but in return they deserve and expect fair treatment from their government. They have received none. ERDA, ARDA, DREE and ACOA moneys barely began to address the problem, and now even they have been slashed. Does this government believe that people can live on salt water alone?

According to an Industry, Science and Technology Canada document entitled *Regional Disparity in Canada 1989*, and using their definition of deep disparity as: "Below 70 per cent of the Canadian average of earned income per capita", Newfoundland had the highest rate of deep disparity in Canada at 95 per cent; and Prince Edward Island and New Brunswick were next at 50 per cent in 1987. These numbers remained unchanged from the previous year.

These numbers represent more than one million Atlantic Canadians who are living below the Canadian average of earned income. These statistics are quite startling. What is interesting about these numbers is that the government continues to hide behind the claims of creating 1.5 million jobs since September of 1984. What we are asking is, where are all these jobs located?

What we have in Atlantic Canada is more than one million taxpayers who have to maintain an existence on incomes well below the national average. These people are subjected to the same government proposals that are dipping into pockets all over Canada. Canadians in the Atlantic region and elsewhere have been telling me and trying to tell their government that they have had enough.

The government definition of a sound fiscal policy has left us with a total public debt that has doubled in just five short years. After increasing our taxes some 31 times, this government now wants Canadians to dig deeper to pay for its disastrous handling of the economy. At the same time we are losing more and more services and social programs.

Now we are presented with the government's newest magic trick, the goods and services tax. What arrogance, Madam Speaker, to assume that Canadians will fall for this and that they will believe it is a better system when things are only getting worse for the average Canadian.

As the hon. Leader of the Opposition stated last Thursday in the House, Canadians have fraudulently been told that they will be taxed at a lower rate when actually it will be higher. We all know that this tax will not be revenue neutral and that it will not be visible. The tax will not be visible but the hardships that it will create certainly will be.

What is clear and visible to everyone but this government is that Canadians will not be fooled by the latest rabbit pulled out of the hat. We have been told many times over the past five years that our economy is booming. The growth should have improved the government's fiscal situation. Over the same period of time billions of dollars have been slashed from public spending by this government. Yet we are now told that we need a new consumption tax to reduce the deficit.

The GST is nothing more than an unprecedented plunge into the pockets of ordinary Canadians. These people will be hit by higher taxes, higher inflation, higher interest rates and fewer jobs. It would cause chaos in the business community and create a paper nightmare for small business. Over 82,000 small and medium-sized businesses, as members of the Canadian Federation of Independent Business, are opposed to the imposition of the GST.

Let us touch briefly on how the proposed GST would affect the average working Canadian family. The Minister of Finance was quoted in the?*Financial Post?* on September 19, 1989 as saying: "Families earning less than $30,000 a year will be better off under the tax". The great favour being granted to these working families by the minister is the enhanced refundable sales tax credit.

I would like to relate some statistics that were presented to the Standing Committee on Finance by the National Council on Welfare in a submission entitled *Help Wanted: Tax relief for Canada's poor*. Their analysis found that single parents with incomes in the $10,000 to $15,000 range paid approximately $388 in federal sales tax in 1984. In 1991 even with the sales tax credit taken into account, these low-income families would still end up paying about $553 in net GST.

• (1310)

That is 42 per cent more than they paid in 1984. The reality is that the poorer families will be worse off in 1991 if the GST comes to fruition. They will be worse off than they were before the various so-called reforms of the past five years. By 1992 they will be in even more desperate shape, because inflation will begin to gnaw away at those much-lauded tax credits.

Everyone in this House knows that almost 80 per cent of the Canadian population is opposed to this sales tax. Can that many individuals be wrong, while the Minister of Finance and the Prime Minister are right? Only the most arrogant would think so. I could give an entire litany on individuals and organizations that have studied and researched the GST, including groups in my own riding with which I have met. They all give the same reasons for opposing this so-called tax reform.

I say, and my colleagues on this side of the House say to this government: scrap this deal and come back with a better tax plan, one that Canadians can live with.

Given that I have only a few more minutes, I would like to speak briefly on the proposed changes to the unemployment insurance plan. Once again, this government is trying to put the boots to the ordinary Canadian worker. Specifically, these UI changes will have a disastrous impact on the Atlantic economy and especially on Prince Edward Island. As you are undoubtedly aware, the workforce on P.E.I. is predominantly employed in seasonal operations—tourism, farming and fishing. Thus, unemployment insurance forms an integral part of our province's income profile.

Unemployment insurance was established as a no fault insurance program. It is a safety net and one that workers readily pay into for their protection in case they lose their jobs. I would like to cite an incident that occurred in my riding a few weeks ago. The members of the UI committee that were in Charlottetown heard this from a group that appeared before them.

A worker at a construction site collapsed with an apparent heart attack. An ambulance was called, but the fallen worker did not want to go to hospital. His reason was that he needed the week's work to ensure that he would qualify for benefits. Many employees do not have sick leave coverage or long-term disability plans. Thus they are forced to work when they really should seek medical attention. Their only recourse is to stay at work until they qualify for UI benefits. Now, with the proposed changes a worker will have to put in more weeks to qualify for fewer benefits.

Another concern with the proposed UI changes is the reallocation of $1.29 billion to job training programs. This proposal can only be seen as a slap in the face to Atlantic Canadians. What can Prince Edward Islanders be retrained for that will allow them the opportunity—the right—to continue working and living in their home province?

The bottom line is that they will be paying into a program that will force them to migrate to central Canada to find employment, thus continuing the erosion of the social and economic structure of our province. Our region of Canada is unique. It is unique because of its high unemployment, seasonal work and low wages. The government has failed to recognize this fact and continues to refuse to implement full employment programs which would offer meaningful, long-term employment in the Atlantic region. It makes little sense to force people into job retraining when there are no jobs to move into. What Atlantic Canada really needs is an adequate labour force development strategy. Until then we need to keep the unemployment insurance program as it is.

The present rate of unemployment in P.E.I. is 14.1 per cent. I do not see much prospect for improvement. The government should be advocating more flexibility and increased benefits to reflect the tough economic times that Islanders must face. Atlantic Canadians await proof that this government recognizes and respects their special needs. We have seen none thus far.

In conclusion, I support the motion by the Leader of the Opposition and I call upon members of this House to listen to their constituents, to condemn the government for its destruction of the socioeconomic system that Canadians built, and thus for its betrayal of the people themselves.

Mr. Ross Belsher (Fraser Valley East): Madam Speaker, it is with pleasure that I rise to speak on this motion that we are debating today. I am proud that this government is committed to building a strong economy, an economy which is competitive with the world's trading nations.

In order to achieve this goal, we must create a solid base on which to allow our economy to flourish in the coming years. Measures which seek to control the deficit and reduce the national debt are an essential element of this foundation for the future. Equally, measures which seek to establish a sound, fiscal framework to sustain continued economic development are also essential to our purpose. These objectives are reflected in this government's commitment to a sound transportation policy.

Transportation is and always will be at the heart of our nation's economy. That is why we have undertaken to provide Canadians with a safe, effective and efficient transportation system. This system is the core around which our policy of economic regulatory reform was built.

With the advent of free trade, the role played by transportation in our economic development has become increasingly vital as we enter the next decade and the next century. A cost effective transportation system is essential if Canada is to preserve and enhance its position in world trade.

In order to meet this challenge we must make the best use of each mode of transportation: air, rail, marine, car, truck and bus. Continued subsidization of a mode of transportation which costs more and more and is used less and less is not a sound investment in our future, particularly when that investment is being made with the Canadian taxpayers' money. That is exactly the situation we are facing with respect to our national rail passenger network.

VIA Rail's subsidy rose to an unprecedented $644 million in 1988. This translates into an average subsidy of $100 for every passenger that used the system.

We are asking all Canadians to pay this subsidy, but only 3 per cent of the travelling public uses this mode of transportation. Canadians have demonstrated their preference for other modes of transportation. With a market share of 84 per cent, the automobile is clearly the mode of choice.

Contrary to all the rhetoric which has been bandied about in recent months, VIA Rail's performance is worsening. It is not improving. While 1988 revenues did increase by 13 per cent or $26 million, operating costs increased by 15 per cent or $94 million, with the result that government subsidies to VIA for its operations alone had to be increased by $68 million. This means that for every additional dollar earned by VIA in 1988, the government has had to dispense an additional $2.62. So, for every dollar of additional revenue we spend $2.62 more.

Now the NDP, in their economic model, say because the revenue is better in itself then you should keep it, but they never mention the costs that are associated with that. That is the logic that they are putting forth in this argument.

As you can see, prompt action had to be taken to stop this drain on the public purse. That is why the government announced a new policy approach for VIA and asked the corporation to prepare a new business plan which would reflect its new reference levels. VIA was asked to consider all options that would allow it to operate within its budget, including such actions as fare increases, route abandonments, reductions in services on some routes and the take-over of services by private parties.

The government, however, does recognize that in a country as large and as diverse as ours there are some truly isolated communities which do not have access to any other mode of transportation. In order to meet this need, nine routes in five provinces will be maintained and subsidized. VIA Rail's corporate plan is currently under consideration and an announcement will be made in due course. The government expects the financial and

operation performance of VIA to improve and to function in a more cost effective manner.

This government has distinguished itself during the past four years through fiscal responsibility and judicious allocation of federal financial resources. When money is scarce it is spent where it is most needed, where it is most likely to produce results.

• (1320)

I invite the members opposite and indeed all Canadians to look at the facts and to judge for themselves the validity of the fiscal realities under which we currently labour. If we have had to make difficult decisions, it is because in 1984 we inherited a legacy of debt. This is a legacy that I personally do not care to pass on to my children and to their children. The difficult choices we have had to make allowed us to reduce the rate of growth of the deficit and bring the rate of inflation down to a more acceptable level.

Responsible fiscal management combined with sound economic policies have paved the road to a rate of economic growth which ranks among the highest in the industrialized world.

As responsible Canadians, we owe it to our children to leave them with every opportunity for development that we ourselves have enjoyed, and I am committed to working toward that end as part of the Government of Canada in 1989.

Ms. Albina Guarnieri (Mississauga East): Madam Speaker, I rise today to speak on behalf of my constituents, small business, all those who will not get the opportunity to appear before the finance committee and who will not be allowed to express their outrage at the proposed goods and services tax. This government was first elected in 1984 in large part because of the Prime Minister's promise of tax reform.

It was argued, with some justification, that Canadians were being unfairly taxed and that the burden of financing government services was poorly distributed across the tax base. The Prime Minister sold himself as the great economic manager, the hero of big business. Five years later Canadians now realize that the Prime Minister has doubled the national debt, introduced crippling and regressive taxation policies and has launched an all-out assault on the pocketbooks of the middle class.

Now in 1989 we have begun to realize the Prime Minister and his colleagues in finance have a far different notion of tax reform than the rest of us. Over the summer I distributed a survey sheet in my riding and asked constituents what they felt were the most important issues facing the country today. I assumed, perhaps naively, that the responses would be primarily about abortion, Meech Lake, or the local issue of Pearson International Airport. Though there were some responses concerning these issues, the overwhelming concern, 90 per cent of the responses, focused on this government's unfair taxation policy.

My constituents are horrified that after five years of empty Tory rhetoric about tax reform, the most progressive concept this government could come up with is the goods and services tax, a tax that is being called regressive, inflationary and the greatest one-shot tax grab in Canadian history.

At a recent Tory convention in Ottawa, Mr. Wilson told the party faithful that the GST is unpopular but necessary. Well, Mr. Wilson is only half right. The tax is unpopular, but it is not necessary.

A quick look at the history of the Tory record shows this government has failed dismally on its promise to bring about tax reform. For example, Tory tax reform since 1984 has meant that an unmarried individual living at the StatsCan poverty line has had his taxes increased by 38.9 per cent under this government. By contrast, a single individual earning a salary of $60,000 has had only a 6 per cent tax increase. This is Tory tax reform?

Another example is the one-income family with two children who live at the poverty level of $24,000. The Prime Minister and Michael Wilson have increased the tax bite on this family by a whopping 61 per cent.

The Acting Speaker (Mrs. Champagne): This is the third time that the hon. member has referred to the Minister of Finance, the member for Etobicoke Centre by his name. She should know by this time that this is not done and she should refer to the Minister of Finance as such. I thought at first it was a mistake but now, the third time, I think it was deliberate. The hon. member for Mississauga East.

Ms. Guarnieri: I assure you, Madam Speaker, I stand corrected. It was not deliberate.

Once again, by contrast, the family earning $100,000 has had its taxes increased by only 7.7 per cent.

Canadians are learning to say: "If this is the Renaissance take us back to the Dark Ages". The new goods and services tax appears to be the silver lining in a full metal jacket. When the finance minister first introduced the idea he promised that the GST would be a tremendous advantage over the manufacturers' tax because it would be visible to the consumer. Well, more trickery, more treachery awaits. The premiers recognize that this is an ill-conceived administrative nightmare of a tax and they are simply not prepared to participate in the finance minister's folly. This tax has not accomplished any of its intended and promised goals.

The GST will not be visible because, as the minister himself stated, the federal government does not have the legal authority to impose a method of collection on Canadian retailers. Consumers will be left in the dark about tax. Is the price pre-taxed, un-taxed or re-taxed? The only thing consumers will know is that they are over-taxed. This government's vision of tax reform is nothing more than raze and pillage.

It is estimated that the GST will plunder at least $6 billion more from the taxpayers than the old manufacturers' tax. This figure, which was rounded off from the government's own technical paper, flies in the face of the finance minister's other promise that the value-added tax would be revenue neutral. This tax is not neutral. It is acid for most Canadians.

Like this government's other tax measures it is nothing more than a thinly veiled attempt to gouge the average Canadian. Not long ago you may remember the bank robber who wore a transparent plastic bag over his head when he approached a teller. Canadians can see through the finance minister's disguise.

It is distressing to listen to the Prime Minister's glib statements in defence of the proposal over the past few months. He has repeatedly tried to mislead Canadians by saying that a 9 per cent goods and services tax is a major improvement over the manufacturers' 13.5 per cent and that consumers may even see costs go down. I wonder if after receiving so many reports, so many failing grades from everybody, from the Canadian Chamber of Commerce to the National Anti-Poverty Organization, the GST will mean lower prices for Canadians. The Prime Minister, like old Ebenezer, will find his conscience after seeing the ghost of elections yet to come.

Let me explain how the new tax will work. Under the current manufacturer's tax, a sofa which costs $500 to produce will be taxed at the rate of 13.5 per cent, or roughly $67, for a total shipping cost of $567. Under the GST any tax that is paid in the transfer of product from producer to producer will be rebated to the manufacturer or retailer with the entire value-added tax placed on the final retail price, which is saved for the consumer, the average Canadian, to pay. So our example of the $500 sofa shipped to the retailer and marked up 100 per cent on the store floor will have the consumer shelling out $1,090. That is $90 in tax compared to the original $67. That is, of course, assuming that the manufacturer will not just alter his original price structure and continue to ship out the sofa at $567.

• (1330)

Perhaps the Prime Minister's mathematics may fool his cheerleaders on the finance committee but it does not seem to have fooled anyone else. If this is the Prime Minister's vision of tax reduction then we can understand the debt doubling under his direction. The minister has countered these complaints by saying that all taxes are unpopular. No one, he says, likes new taxes and so the thousands of ordinary Canadians who have signed petitions written to their MPs and have appeared before the committee do not matter.

If the Prime Minister will not listen, then perhaps he should listen to some of this former allies. He should listen to what business groups have to say about the GST. Groups such as the Canadian Chamber of Commerce and the Canadian Real Estate Board. What more does the minister need?

Mr. Bulloch of the Federation of Independent Business which represents 82,000 small businesses has said—and this has been confirmed by many businesses in my own riding—that Canada will witness an unprecedented number of small business closures. Companies that are already operating on narrow profit margins will be cut to the bone. The hairdresser, the variety store owner, the shoe repairman are all examples of business people who will find themselves absorbing the cost of a new tax in order to remain competitive. This is not to mention the extra cost of the paperwork needed to administer this paper nightmare. The small business will be hurt in other ways as well. The GST will reduce the over-all buying power of Canadians, raise unemployment levels and generally slow economic growth. These combined factors

will devastate the viability of most small businesses because they do not have the financial security to absorb even short-term losses.

An example of how this will affect independent businessmen is well laid out in a letter I received from the Western Canadian Wheat Growers Association. They point out that the GST will drastically reduce the profit margins in a number of ways and will drive farmers off the land.

For example, land sales will be taxed forcing up the price of land which the farmer will have to finance. Although the government has promised to reimburse the farmer for the GST, the carrying costs between the time of purchase and the reimbursement will not be covered. Farm implements will increase in price as a result of the inflationary nature of the GST. In fact, the grain farm organization states that the culmination of price increases for all foreign input purchases will prove disastrous. There is a growing sense—

The Acting Speaker (Mrs. Champagne): I am sorry I must interrupt the hon. member. Her time has now expired.

Ms. Guarnieri: Can I beg the indulgence of the House, since I was interrupted earlier, to finish my closing remarks?

The Acting Speaker (Mrs. Champagne): Is there unanimous consent?

Some Hon. Members: Agreed.

Ms. Guarnieri: There is a growing sense of despair sweeping the country and it is causing what has been called a tax revolt. It is not a politically motivated force, but it is organized by independent Canadians who are horrified about the direction this government is taking us.

This government has talked a lot about the concerns of the grass roots. It is time the Prime Minister lived up to the rhetoric. Even some Tory back-benchers are taking to the hustings to protest the GST. How do Canadians survive hurricane Brian?

Ms. Langan: Madam Speaker, I would like to ask the hon. member, as she comes from a riding where rush hour traffic is appalling and in fact all day long is abysmal, if she would agree with the comments of the hon. member from the government side of the House who spoke before her who said that this is the age of the automobile and dismissed out of hand the need for rail transit and the need for commuter transit. I would ask the hon. member if she agrees with those sentiments or if she has other comments to make about that.

Ms. Guarnieri: Madam Speaker, I thank the hon. member for her question. Coming from a riding which has limited access to such facilities as the subway, anybody who has travelled in Mississauga and has been caught in the 401 parking lot will know that our system is far from adequate. Of course I would have to disagree with the hon. member opposite who made those statements.

Mr. McDermid: Madam Speaker, I listened with great interest to my neighbour from Mississauga East. Obviously the government still has a tremendous amount of work to do in educating particularly members of the House of Commons because today she gave facts and figures which were totally wrong.

She figured out the sales tax system featuring the manufacturers' sales tax which is being replaced by the goods and services tax, and she had the figures all wrong. I would invite the hon. member to drop over and we will go through her speech. I will show her where she was wrong in her figures, transposing the two taxes, because she was way off base.

I might also comment on small businesses. She referred specifically to small businesses and to the problems that small businesses are going to have with the goods and services tax. In fact small businesses will be paying no input tax on their purchases as they are now. They will be tax-free in all of their purchases and therefore they are going to be far better off, far more competitive with the imports. That is what this tax reform is all about. They will be far better off under the new system than they are now. If the hon. member would examine how the new system works, I think she have to admit that.

Ms. Guarnieri: Madam Speaker, I am all in favour of education. I gladly take up the minister's invitation to meet with him and review the figures. Perhaps we can agree to resume debate after we have done so.

I have one question for the minister. Is this GST or is it the FTA tax?

Mr. Riis: I listened with interest to the hon. member's presentation. I wonder if she could elaborate on a point. The Conservative government indicates that the reason for this tax is to replace the manufacturers' tax which is a killer of jobs. I think that is the name the Minister of Finance used when he described it, yet it is my recollection that when the Conservatives took office it was at 9 per cent, which is the same level that has been proposed for GST. Over the years it was raised to 10 per cent, 11 per cent, 12 per cent, 13 per cent, and then 13.5 per cent. If the government is serious about saying that this tax is terrible, that it mitigates against our exporters and favours foreigners, that it is a killer of jobs, why would the government increase it four times during its term of office?

Ms. Guarnieri: I can only conclude that some of the finance minister's economic advisers have perhaps studied in Argentina and their theories should be tested on animals.

Ms. Lynn Hunter (Saanich—Gulf Islands): Madam Speaker, I am pleased to stand in the House today to speak to this motion. I would like to reiterate what the motion is: "That this House condemns the government for its mismanagement of the Canadian economy", and then it cites five aspects of that mismanagement.

I want to point out that this mismanagement is not an accident. It is consistent with the government's political philosophy. It is consistent with the government's vision and it is consistent with the government's overconfidence in the market as the device to solve all problems.

This approach to our economic woes, this vision, this mismanagement, represents what we are now facing in Canada. As my colleague from Sault Ste. Marie said earlier this morning, the government does not like to talk about the free trade agreement any more. We in my party are going to continue to talk about the free trade agreement. The measures that this government is bringing in now are components of that trade deal with the United States. This is what harmonization means.

• (1340)

I will address my comments to just two of those components: first, the changes to the Unemployment Insurance Act. The Canadian Labour Congress last week released startling new figures which demonstrate just how bad the impact of the government's Unemployment Insurance Act will be. While Bill C–21 takes a number of harmful steps, the CLC figures examine only one aspect, and I should be clear about that, that is the increase in the number of weeks of work required to be eligible for benefits.

According to government figures there will be only 30,000 people who would not be able to get enough weeks of work to qualify for benefits. The CLC, however, paid Statistics Canada to produce a study based on the impact of Bill C–21 on people who received benefits in 1988. According to Statistics Canada 128,724 people would not have had enough weeks of work to obtain benefits. This is four times the government's figure.

In British Columbia the government says only 3,000 will be affected. Statistics Canada figures demonstrate that the real figure is 15,845 people. On Vancouver Island where I come from the figures are 3,060 people. This has an economic impact of $15 million lost to my region of the country. When we talk about mismanagement, we also have to talk about the careful manipulation of figures. The government has been withholding this information. It released only some of it in August, four months after tabling the proposal, only because of an access to information request.

The second component of this free trade agreement is the goods and services tax. When any major policy is introduced, it is wise to look at who will benefit and who will suffer. I think Canadians, in spite of a $7 million plus ad campaign, know that they are not going to benefit. It is going to be big business, not small business, that will benefit from this.

It is small business that was talking to the finance committee in droves. I was there when the Chamber of Commerce group came, when the Home Builders Association gave its presentation, and when the construction industry came to give its presentation. They understand

in spite of this $7 million ad campaign that this is not good news. I think, though, that we have to understand that this is a component of the free trade agreement.

My colleague from Edmonton East in a question in the House on Friday alluded to some of the dimensions of the free trade agreement and the goods and services tax as relates to energy. In the free trade debate last year a lot of focus was put on energy. As my colleague from Edmonton East pointed out, the goods and services tax is adding 9 per cent to energy costs, the same energy that we sell to the United States. But the goods and services tax is not included in exports, so the United States purchasers do not have that GST added and will get the energy for 9 per cent less than what Canadians pay for it. These issues are components of a free trade agreement. You can be assured that on this side of the House the free trade agreement is going to be there to haunt this government for many years to come.

Some colleagues of mine have stated that this government is going to be among the most hated of governments come the next election, and we in our party are going to be there to make sure that the people understand that and that we provide an alternative.

[*Translation*]

The Acting Speaker (Mrs. Champagne): Questions and comments. Resuming debate. The Hon. Member for Champlain (Mr. Champagne).

Mr. Michel Champagne (Parliamentary Secretary to Minister of State (Forestry)): Madam Speaker, I welcome the opportunity to speak to this Opposition motion of censure, presented mainly by the Liberals, and I want to read the motion, which says:

> That this House condemns the Government for its mismanagement of the Canadian economy, including:
>
> 4) abandonment of Canadian primary producers with resulting undermining of the farming, fishing and forest industries;

Madam Speaker, I find it rather ironic that an Opposition motion, mainly sponsored by the Liberals, should deal with this subject, especially the forestry sector. Let me provide some background. Twenty-nine years ago, in June 1960, the Right Hon. John Diefenbaker, Prime Minister of Canada, rose in this House to propose a bill that would create a department of forestry for the first time in Canada's history. On July 11, 1960, the bill was passed unanimously by the House, on both second and third reading. Royal assent was given on August 1, and the new department was established on October 1, 1960. And it was a Liberal Government, Madam Speaker, that invalidated this major step, that abolished the Department of Forestry so that we now have to go back and repeat the process.

The motion presented by the Liberals condemns the Government for abandoning the forestry industry. I think we should condemn the Opposition for ignoring the forestry sector, especially as far as interest rates are concerned. Remember the period from 1980 to 1984, when interest rates were so high that most people in business had tremendous trouble recovering from the impact and people in the primary sectors such as farming, fisheries and forestry suffered considerable losses and in some cases even went bankrupt.

Madam Speaker, it is indeed ironic that the Liberals should present this kind of motion. If we look at what happened in 1984 when the Progressive Conservative Party came to power and what has happened since then in the forestry sector, I think it is clear that some very important initiatives have been taken.

First of all, when we came to power in 1984, we had promised during the election campaign to appoint a minister of State, and we did, Madam Speaker. Second, when we came to power in 1984, federal provincial relations, or what was left of them, were very troubled. Québec was no longer on speaking terms with the federal Government. The provinces were no longer on speaking terms with the federal Government, and vice versa, because of the unmitigated arrogance with which the Liberals approached the provinces and the areas under their jurisdiction.

What we have done in the forestry sector since 1984 has been to sign federal-provincial agreements with each province, agreements that represent nearly $1 billion invested over five years, from 1985 to 1990, of which $662 million is federal funding, with the remaining $500 million contributed by the provinces. Madam Speaker, in Québec, and more specifically in the region I represent—Region 04—the Canada-Québec Agreement, which, I may add, is worth $300 million, of which $150 million is federal money, has generated nearly $29,279,860, which breaks down as follows: public forests, $19,833,950; private forests, $8,381,530 and $1,064,380 on Indian reserves and federal land.

That is the situation in my riding. Producers in the farming and forestry sectors know that the Progressive Conservative Government has done a great deal for the forestry industry since 1984, and contrary to the motion presented by the Liberals, they realize how conscious we are of their concerns and how anxious we were to reach a compromise with the federal Government that would make it possible for our producers, our businesses, our young people and our business people to invest in a prosperous industry, in one of the activity sectors that generates the most jobs in Quebec, 1 out of 17, and is also very important in terms of economic spinoffs.

Madam Speaker, in the riding of Champlain, the Canada–Quebec Agreement on forestry development has provided nearly $17,433,860 in funding, which breaks down as follows: $14,539,430 for public forests and $1,830,006 for private forests. Plus $1,064,380 for Indian reserves and other federal land. Madam Speaker, this proves without a doubt there is no hint of partisanship here since we are dealing with a provincial–liberal government that when it was necessary to reach a consensus with the provinces and provide for the recovery of an economic sector that had been abandoned by the Liberals, this federal Government was able to find ways to reach that consensus.

• (1350)

If I may refresh the memory of the Liberals with respect to forestry, we established the Canadian Council of Forestry Ministers in 1985. We developed a national forestry strategy in 1987. And finally, as I said earlier, we are now setting up the legislative committee for Bill C–29, a proposal to establish a full–fledged department of forestry. In fact, both Opposition parties support us on a proposal, once implemented in 1960 and later demolished by the Liberals.

The goods and services tax is a vital part of the Government's long–term strategy for establishing a viable economic policy. Once the goods and services tax is in place, the federal tax system will be more progressive, and low–income Canadians will be better off. This will be achieved thanks to a new refundable credit. The credit will be paid quarterly, before the goods and services are purchased by households.

Implementation of the goods and services tax should have the following impact on the forestry sector: production costs will drop, since the new tax will not apply to goods required in the manufacturing process, thus making our producers more competitive on domestic and foreign markets. Wood products for export will not be taxed, thus making them more competitive on international markets. Furthermore, as in other sectors, manufacturers of wood products will be able to claim input tax credits on goods and services acquired for use in manufacturing their products. Indeed, the goods and services tax will encourage a more effective use of our economy's resources, promote exports and make Canadian products more competitive, both on Canadian and foreign markets. It will also encourage new investment, while an increase in the number of jobs in the forestry sector is expected.

Removal of the manufacturer's tax will strengthen the position of Canadian products, including wood products, on Canadian and international markets. The result will be increased productivity and more jobs for Canadians. And finally, Madam Speaker, increased productivity, improved competition and lower capital costs will affect the growth of investment and strengthen foreign trade. These factors will increase production and employment from the first year the goods and services tax takes effect. We also expect that the goods and services tax, by replacing the present manufacturers' sales tax, will result in lower industrial and commercial construction costs, which should increase the demand for this type of construction. Note that this kind of construction is exempt from the GST because the products used are not at the end of the consumption chain. Note that the lumber and paneling used in non–residential construction is very important for the lumber industry. About half of these products are for the domestic market and used for non–residential construction. This is especially important for Québec and Ontario which are much more dependent on the Canadian market than are the other regions of the country are.

We also expect lower costs for writing and wrapping paper, for cardboard not used for food packaging and for tissue and toilet paper. The tax on these products is now 13.5 per cent at the manufacturer's level, but it will be 9 per cent with the GST. Tax reform will thus benefit

producers and consumers of these products. Note that these products have a high added value compared to most other forest products.

Also, Madam Speaker, the GST or goods and services tax reform will cancel any sales tax now imposed on goods used in manufacturing. Let us mention motor fuel, vehicles, computers, office furniture, services, telecommunications. At present, taxes on these products are invisible in the selling price and reduce the efficiency of investment.

Madam Speaker, in conclusion, because I know that my time is running out, I would like to say to the whole House that the goods and services tax will have a positive effect on employment and job creation, especially in the forestry sector, Madam Speaker.

I would like to remind the Opposition that the Government's record in recent years is positive because it has given this industry its rightful place in Canadian industry and the Canadian economy, namely first place.

The Acting Speaker (Mrs. Champagne): Questions or comments. The Hon. Member for Gatineau–La Lièvre (Mr. Assad).

Mr. Mark Assad (Gatineau—La Lièvre): Madam Speaker, the Hon. Member who just spoke was talking about forestry policy, but I have the impression he was trying to lose us in a thicket of figures and facts. And I think he was also being overly optimistic when he said that the new tax, the GST, was going to improve things. That is not how we see it, especially since 79 per cent of Canadians are not happy with the way you are managing public funds, and why should they be?

However, what is really at issue in this debate is not forestry policy. I can inform the Hon. Member that the provinces have their own forestry policies and have had them for many years. If you intend to enter into agreements with the provinces, as you propose to do with this new tax, we will really be up the creek.

Basically, the motion says that the new goods and services tax will be a menace because, first of all, it will lead to inflation across the board and is regressive, inequitable and invisible. Of course it is!

What we must consider with this goods and services tax is that the Government's only strategy in this instance is that it does not want to deal with the real problem in this country, which is that we need a complete tax reform, from A to Z.

All the observers and tax experts tell us that every year it is getting more and more difficult and complex for the average Canadian to complete his income tax return, especially when he sees his taxes going up every year. We don't have to quote figures all day long to realize there is something wrong with the tax system in this country. We have statistics indicating that thousands of Canadians don't pay income tax, that Canadian companies don't pay income tax, that all kinds of companies have managed to defer income tax payments for years, which of course has an impact on the federal Government's revenues.

[*English*]

This tax on goods and services is the greatest cover–up I think we will have ever seen in the House of Commons. The basic problem that we have here is that the whole tax system is out of control. You do not have to have an economics degree from any university to realize that the tax system is the most detrimental thing against the middle class that we have seen in the last 25 years.

All that you have to do is take a look at the last 25 years to 30 years, especially after the Carter commission that was unfortunately not published, to see that the tax system even then needed an overhaul. Here we are coming along with an additional proposed tax of 9 per cent. It is obvious that 79 per cent of the people of this country feel that it is unjust and that it is going to create more difficulties for the average Canadian.

The basic problem that we have to face is to admit, to begin with, that our tax system needs to be completely overhauled. I admit I have been influenced by a book called *Behind Closed Doors* which was written in conjunction with the best tax expert in this country who indicated that the so–called tax loopholes were because of nothing but lobbyists in this country.

• (1400)

The Acting Speaker (Mrs. Champagne): As it is now 2 p.m. the House will proceed to Statements by Members pursuant to Standing Order 31. The Hon. Member will be able to continue after Question Period.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

CANADIAN ARMED FORCES

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, five weeks ago I and a committee of Liberals from P.E.I. took up the Tory challenge of coming up with alternatives to the defence department closing of military bases as a means of satisfying the finance minister's deficit cutting requirements.

After much research and study we proposed that one of the military bases, Summerside, be used to establish a UN international peacekeeping training centre. Funding would come primarily from the UN and participating nations, and while Canadian government contributions to the camp would drop from $40 million to about $10 million, there would be little drop in personnel.

The proposal was received with great acclaim by many experts in the arms control and disarmament community. That is not surprising because there are many up sides. Canada would be able to apply and share its internationally recognized expertise and experience in peacekeeping. It would be afforded a leadership role in an increasingly important aspect of external affairs, and foreign capital would replace the funds from DND and breathe life into the local economy.

I urge the Minister of National Defence to take a serious and hard look at our alternative and he can call on our committee for help.

* * *

[*Translation*]

HONESTY

Mr. Jean-Pierre Hogue (Outremont): Mr. Speaker, a few months ago, something happened to me that turned out to be very important.

I lost a wallet which contained my credit cards, identification and also a substantial sum of money. When I got home, I received a telephone call advising me of this fact.

I promised the finder I would report this in the House, so that the widest possible audience would know that our society still has honest upstanding citizens deserving of everyone's admiration and respect.

In a world like ours where we so often have to contend with all kinds of disagreeable situations, it is a pleasure to see that our country also has people like Mr. Claude Brabant of Montreal, who has the real civicspirit and a keen sense of honesty. He deserves to be mentioned as a shining example.

* * *

[*English*]

NATIONAL FAMILY WEEK

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I would like to bring to the attention of the House the fact that today is the start of Family Week in Canada. As we enter the 1990s the definition of family is changing. The number of children being raised in one parent families and the number of children living in poverty are on the rise. There are 1.2 million Canadian children living in poverty. Internationally, 40,000 children die each day because of the poor economic conditions in which they live.

Children are poor because their parents are poor and family benefits are being eroded by this Tory government. The claw-back of family allowances, destruction of UI, the failure to provide national child care strategy, the lack of affordable housing, and the introduction of the goods and services tax makes the job of parenting more and more impossible for Canadian families.

While we celebrate the week of the family we must remember that much more needs to be done to support families in Canada and throughout the world. It is a sobering thought to recognize that in the one minute I have been given to make this statement, 27 children around the world have died from poverty.

* * *

GORDON TOWERS

Mr. Doug Fee (Red Deer): Mr. Speaker, last Saturday night the Red Deer Chamber of Commerce honoured David and Linda Hueppelsheuser as farm family of the year, and Wayne Lalor for his dedicated service to youth and sports programs.

They also paid tribute to the person chosen as citizen of the year, a man who has dedicated a lifetime of service to the community of Red Deer. In the words of the

presenter, even in his political position, he constantly went far beyond the normal expectations to help his fellow citizens.

I am sure you will be pleased to know that Red Deer has honoured as its citizen of the year a former colleague, Mr. Gordon Towers, Mr. Speaker. In his acceptance speech for the award, a surprised Mr. Towers accepted humbly, quoting Tennyson, saying that he had "received much from others as each of us is a part of all we have met". He went on to say that he is not yet finished and he still has work to do. It is obvious, Mr. Speaker, that he did not intend to let his service stop when he left this place and Red Deer will reap the benefits of that service.

* * *

PORK INDUSTRY

Mr. Maurice Foster (Algoma): Mr. Speaker, the recent decision by the United States International Trade Commission to impose a 3.6 cents per pound, countervail duty on Canadian fresh chilled and frozen pork is one of the best examples of the failure of the free trade deal to protect our farmers from the whims of U.S. farm lobby groups.

The free trade deal was going to provide certainty instead of uncertainty in the face of U.S. trade protection as we were told by the Prime Minister. The only certainty Canadians can expect out of this government and this trade deal is more challenges to our food security and to our farmers and their farms.

This countervail duty is sure to affect farm gate prices and cost millions to Canadian farmers. Farmers can hardly afford to stay in business with the way things are going. U.S. legislators made it clear last fall after the Congress passed the free trade deal that they had no intention of guaranteeing access to the U.S. market for Canadian pork when they amended the omnibus trade bill.

It is high time the government went back to the drawing board before its ineffective trade policies spell certain doom for Canadian farmers.

* * *

DEVELOPMENT DAY

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, today marks the second annual Development Day, a day designated by the federal government to shed light on international development issues and to reflect upon what we can do to better the living conditions in the Third World.

Canadians are justifiably proud of our record as a caring and as a compassionate people. Our record in the field of international development is unrivalled. In the developing world the maple leaf is a symbol of hope and co-operation.

Unfortunately, this record is in jeopardy. Since the April budget the over-riding thought has been cut-backs. Instead of helping people to help themselves, the development community is struggling to cope with far fewer resources. Multilateral food aid was cut by $32 million, bilateral food aid was cut by $24.4 million, our contribution to international institution by $56.5 million and humanitarian assistance by $4.5 million. The list goes on to total over $360 million in cuts with many more on the way next year.

Development Day is the day for all Canadians to reflect on our role in the developing world. More importantly, it is also a day to send a clear message to the government that the time has come to restore funding for development assistance.

* * *

PROPOSED GOODS AND SERVICES TAX

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, the European Economic Community consists of 320 million people in 12 sovereign nations and languages who in this century alone were at war twice, killing millions of people. Yet they have fewer barriers to trade and other differences than we do here in Canada. In spite of a GST tax of up to 28 per cent they are buying

stereos, cars and houses in record numbers. The reason is that the GST is the most equitable and fair tax. By 1992, they will have an economic and social union which will make Canada look like 10 separate and feuding nations.

We are clearly wasting time in Canada over Meech Lake and other petty differences. Meech Lake should have been passed months ago, and we should already have dealt with women's issues, native issues, fisheries and Senate reform. I call upon the opposition parties to start thinking of Canada as a whole rather than always being concerned about the separate, narrow, selfish interests of special groups.

* * *

THE LATE MARK SMERCHANSKI

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I would like to take a moment of this House to remember a distinguished Manitoban and a former parliamentarian who just recently passed away. Trying to recount all the contributions of Mark Smerchanski, who served in this House from 1968 to 1972, is a difficult task for he was a man of many talents and interests who provided remarkable public service.

A geological engineer by training, he was one of the pioneers in opening up Canada's north to mineral exploration. He was later a professor of engineering and a builder of new techniques in that area.

As a member of the provincial legislature for Burrows and in this House as the member for Provencher, he won the respect and praise of his constituents and was certainly a strong voice for western Canada.

Mark Smerchanski will also be remembered for his major contributions to the Ukrainian-Canadian community. He was instrumental in establishing the Department of Slavic Studies at the University of Manitoba and perhaps took greatest pride in his accomplishment as the founder of the Holy Family Nursing Home in Winnipeg. Mark Smerchanski is survived by his wife Pat and three daughters, Joan, Rhonda and Patricia.

I am sure the House will join me in wanting to send our condolences to his family and thanks to Mark Smerchanski for a life of service to his country.

Some Hon. Members: Hear, hear!

* * *

• (1410)

CANADIAN INTERNATIONAL AIRLINES

Mr. Howard Crosby (Halifax West): Mr. Speaker, Nova Scotians will view with alarm the announcement that Canadian Airlines International intends to close its pilot base at Halifax International Airport and reduce the staff of flight attendants stationed there. These pilots and flight attendants are a community resource and they contribute to the economic, social and cultural life of Nova Scotia. Canadian Airlines International is a private enterprise but its future success depends on the support of government and public good will.

I call upon the officials of Canadian International Airlines to assess the corporation's decision and consider the welfare of these employees in the community at large. Otherwise public support will be severely damaged.

* * *

VIA RAIL

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, this past weekend I attended the one hundred and third anniversary of the Esquimalt-Nanaimo Railway in Victoria. It was an occasion with little cause for rejoicing; a wake rather than a celebration. The news of the cuts to VIA Rail and the complete elimination of the E & N dayliner served as a grim reminder of the government's lack of interest in the wishes of Vancouver Islanders.

The elimination of the E & N is an attempt by this government to extract itself from obligations on Vancouver Island and reflects its unwillingness to make the E & N a viable service. It is also contrary to historical agreements.

The preservation of the E & N is an obligation rooted in B.C.'s entry into Confederation. The agreements of 1883 are based on contractual and constitutional conditions between federal and provincial jurisdictions. The federal government is bound to provide passenger service on Vancouver Island in perpetuity. Support for the dayliner is clearly demonstrated by the increased number

of passengers despite inconvenient schedules, bad service and appalling management. Rather than ending over 100 years of service, the government should upgrade the dayliner in the interests of tourism, community pride, the environment and national unity.

* * *

NATIONAL FAMILY WEEK

Mr. John E. Cole (York—Simcoe): Mr. Speaker, I am pleased today to lend my wholehearted support to National Family Week which starts today and runs through to October 8. This government provides support to the Canadian family in many broad and diverse ways. We run programs for seniors and the disabled. We administer comprehensive income support networks. We are working on a national strategy to reduce violence in the family. Our child care initiatives fund is supporting quality child care services across Canada.

National Family Week asks us to be more sensitive to the needs of our families and to celebrate the strength, the joy, and the vitality of the Canadian family.

I would like to ask all members of the House to join me in support of National Family Week and to enjoy the riches our family lives offer each of us.

* * *

CHILD CARE PROGRAM

Ms. Barbara Greene (Don Valley North): Mr. Speaker, on Friday, September 29, the Minister of National Health and Welfare and I toured three day care centres in the city of North York and met with representatives of the North York Interagency Council. We visited a workplace infant and toddler centre with rent and building costs paid for by the city. This centre took six months to fill as a result of the freeze on subsidies caused by the lack of provincial funding. As a result, only 19 of 58 spaces are available to low income families.

We visited a day care centre in a high school designed to keep teen mothers in school. This centre, which is subsidized and assisted by the board of education, had empty spaces for part of last year due to a lack of subsidies. We visited a neighbourhood centre, also in a public school, where full fee-paying parents were subsidizing low income parents because of the lack of adequate subsidies for low income families. As a result, spaces for parents needing subsidy have been limited. Eight-five per cent of the families needing subsidy are single parent families. Day care subsidy help families to help themselves.

As part of National Family Week, I strongly urge the minister to bring forward a child care program which will ensure that low income families have access to day care and will provide disadvantaged children with the benefits of early literacy, good nutrition and good child care.

* * *

HOUSING

Mr. Sergio Marchi (York West): Mr. Speaker, yesterday's unbelievable pronouncement by the Minister of Housing that affordable housing is not a national priority in Canada is truly irresponsible as numerous Canadians for a variety of reasons cannot afford to buy a home at all.

Do those living on the streets in cities across Canada find affordable housing not a priority? Do single mothers looking for reasonable accommodation find that affordable housing is not a priority? Do the many families in major centres across this nation who cannot begin to afford a new home because of the skyrocketing prices also find that affordable housing is not a priority?

What belies the statements made by the minister is that he was, before becoming a cabinet minister, a mayor who fought for such issues. He was an outspoken critic of the Conservative government's housing policy right here in the House of Commons. His comments do little to help those in need of basic shelter and are a rebuke of their pleas for action.

I suggest that the minister consult with those he purportedly serves and take concrete measures to house the many Canadians in need. Affordable housing is a national issue. What we need is a minister who recognizes that fact.

* * *

PROPOSED GOODS AND SERVICES TAX

Mr. Stan Keyes (Hamilton West): Mr. Speaker, almost a year has passed since the last election when the Prime Minister declared that social programs were a sacred trust. However, the government has begun a process of clawing back the safety net and has embarked on an initiative that will severely affect lower and middle-income Canadians.

The Conservative government is blindly committed to a new tax to replace the manufacturers' retail sales tax which would be placed on almost every good and service. One week ago I held a meeting in my riding of Hamilton West on the subject of the proposed tax. Three hundred and fifty people filled the room and not one person was in favour of the government's plan. So far over 5,000

signatures have been collected from constituents opposing the tax.

As one of my constituents put it, when a family buys a new home it takes on a deficit. When they buy a new car, it takes on a deficit. What the Minister of Finance is telling Canadians is that they must now increase their deficit to reduce his. And happen it will, as the government proclaims its tax as fact in newspaper ads, circumventing my privileges as the elected representative for the constituents of Hamilton West who say enough is enough.

ORAL QUESTION PERIOD

[*English*]

VIA RAIL

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my question is to the Prime Minister and concerns the moral legitimacy of this government.

During the last election the Prime Minister promised a child care program, promised a revenue neutral national sales tax, promised continued universality of social programs, and continued support for VIA Rail. After the election the Prime Minister terminated the child care program, delivered another massive tax increase, destroyed universality of social programs and is now in the business of gutting VIA Rail.

Given that Canadians have no opportunity to pass electoral judgment on this massive fraud for another three years, will the Prime Minister agree today to withhold implementation of the planned route eliminations of VIA Rail and the planned 2,900 lay-offs of VIA employees until public hearings are held across this country on this very important matter?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it is astounding for the House and the country to hear a Liberal rise in this House and talk about moral legitimacy. That is a contradiction in terms. The fact of the matter is that this House passed a child care program which was killed by his Liberal friends in the Senate.

We have a mandate from the people of Canada to deal with matters which are not necessarily popular, but which are right for Canada. Some of these mean reversing some attitudes and some trends of the past, not all of

them pleasant and not all of them easy. We are not going to do them because they are popular; we are going to do them because they are right for Canada.

Mr. Tobin: Mr. Speaker, according to *Webster's Dictionary* the word "probity", which used to be a favourite of the Prime Minister's, means upright, upstanding, forthright and honest. It is no wonder he never uses the word anymore.

It staggers the mind to realize that while every other nation in the western world prepares to meet the year 2000 with efficient, environmentally clean, high speed rail passenger service, Canada and Canada alone pursues a policy of increasing reliance on already congested highways and skyways.

• (1420)

I ask the Prime Minister whether or not he will make available all environmental impact studies carried out in preparation for this decision to terminate VIA Rail. In fact I ask whether or not he will give the House, and through the House the people of Canada, an assurance that such environmental impact studies have been carried out pursuant to the government's recently announced policy of doing just that.

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I have always said to the House and outside the House that when the decision is known I will provide all necessary documents so that Canadians will understand. It will be the best decision we can make.

Mr. Tobin: Mr. Speaker, neither the Prime Minister nor the Minister of Transport have been prepared to tell Canadians that they will have a right to be heard on the decision, which was never discussed or announced in advance of the election last November.

I put my question to the Chairman of the Standing Committee on Transport. Given that we cannot receive an answer in the House, an assurance of public hearings on this important question from either the Prime Minister or the Minister of Transport, will the chairman of the Standing Committee of Transport refer this important question to the Commons transport committee immediately?

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, the question was to the chairman of the committee and all I can tell my hon. colleague is that the

transport committee is meeting tomorrow morning at 9.30 to discuss that very thing.

Mr. Maurice A. Dionne (Miramichi): Mr. Speaker, I am astounded today to hear the Prime Minister say that savaging VIA Rail is the proper thing to do, but my question is for the Minister of Transport.

According to the multiplier factor used by VIA Rail to gauge job losses, the 2,900 job cuts projected to be announced on Wednesday will grow to 10,200 jobs as the effects mushroom through the economy. The minister knows it because he received these figures months ago from VIA Rail.

Will the minister give us a clear and unequivocal answer, for the first time on this issue, as to why he has kept this vital information from the Canadian public and from the House of Commons?

Mr. Bouchard (Roberval): Mr. Speaker, of course we always release good information to Canadians. Normally, though, it is not based on leaked documents.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I rode VIA Rail this weekend to talk particularly to the employees of VIA Rail. They all know that over half the routes will be cut and 2,980 employees will be fired.

Some Hon. Members: New rider.

Mr. Comuzzi: Perhaps the hon. gentleman over there should take a turn and ride VIA Rail also, so that he knows of which he speaks.

Another 10,000 Canadian jobs will be directly affected. They all expect this to be announced on Wednesday just before Thanksgiving, and the lay-offs to take place just after Christmas on January 15. All Canadians have the right to know why the minister is doing this to VIA Rail. The minister is duty bound to explain why he is eliminating passenger rail service in Canada. Will the minister appear before the transport committee to explain to the committee and, in fact, to all Canadians why he is doing this to passenger rail service in this country?

[*Translation*]

Mr. Bouchard (Roberval): Mr. Speaker, that is pretty obvious. Last spring, I appeared twice before the Transport Commitee. I answered all kinds of questions at the time the Hon. Member was there and the vast majority of the questions were about VIA Rail. I answered the questions, and, at the time, I felt that this was one way of consulting. However, Mr. Speaker, I still feel I cannot give the Hon. Member the answers he wants, because they are not the kind of answers I will give, first of all, but—

Mr. Comuzzi: The announcement on Wednesday!

Mr. Bouchard (Roberval): He says: The announcement on Wednesday! I have yet to announce when the announcement will be made and so far I have given no indication. Announcements will be made at the appropriate time, as I said earlier, and will be based on valid documents. I just hope the Hon. Member will take VIA Rail more often than he must have done when he was a member of the task force on transport.

[*English*]

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, obviously, the minister does not know when it will be because he has not found a place in Montreal that will hold 1,500 people for the meeting on Wednesday.

My question is to the Prime Minister. On Friday, the Minister of Transport said, "Normally, when the cost is over the revenue there is a problem". This government has repeatedly promised to buy modern trains for VIA Rail instead of just throwing away hundreds of millions of dollars by maintaining obsolete 35 year old trains resulting in high costs and a waste of taxpayers' money.

Clearly, the Minister of Transport has failed to live up to his responsibilities and that responsibility must now fall on the Prime Minister. When will he act to protect Canadians who use VIA because it is affordable, safe, accessible, environmentally friendly and convenient?

Mr. Bouchard (Roberval): Mr. Speaker, I would like to correct something that my friend said about VIA Rail.

Over the last 10 years the former government and ourselves have put more than $5.4 billion into VIA Rail. Our own government has put more than $.5 billion into the equipment alone. He says that we have not put money into it.

Last week my friend talked a lot about ridership. For the first six months of 1989, the increase in the number of passengers was 2.7 per cent. I would like to be able to manage a corporation with that kind of figure. I would

have to know exactly what is the cost; but my friend never gave the costs of the operations of VIA Rail.

Mr. Angus: Mr. Speaker, it is nice to know that the minister has confirmed the information I gave the House on Friday. I have another supplementary to the Prime Minister.

Last week we heard that bus companies are predicting significant fare increases as soon as VIA Rail is cut. Today, we learned that airline fares are about to go up by hundreds of dollars per ticket.

Will the Prime Minister acknowledge that his government's policies of deregulation and the destruction of VIA Rail are an attack on consumers in all regions of this country. Will he act to protect these consumers by cancelling plans for the elimination of VIA services across this country?

[*Translation*]

Mr. Bouchard (Roberval): Mr. Speaker, I would like to draw your attention to a letter I received from the Canadian Bus Association, in which the association's director general says the following:

[*English*]

"I am writing to you to state in clear terms that the telephone interview conducted on September 27 did not contain any reference to the prospect of the bus industry increasing price simply because VIA Rail services are changed".

I believe it is very clear. Once again, we have to tell the truth. We have to use real documents as I am doing here this afternoon.

[*Translation*]

UNEMPLOYMENT INSURANCE

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, since according to the Minister of Transport, it is very hard to know who is responsible for what in this Cabinet, my question is directed to the Prime Minister. Under the proposed changes to the Unemployment Insurance Act, nearly 5,000 people in Montreal will no longer be eligible for benefits. Over 8,000 people depend either directly or indirectly on VIA Rail for their employment in this city. We see the same scenario in Halifax, Winnipeg and elsewhere in this country. Does the Prime Minister intend to take the necessary measures to protect Canadians who may be out of a job and without any financial support?

[*English*]

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I think that my friend, the Minister of Transport, has been forthcoming about what the government is looking at in connection with VIA Rail. We will be there, as we are with any other organization, should there be any need for the services of the Department of Employment and Immigration and the Industrial Adjustment Service, and so on. We are here now for businesses across the country. We are here for other businesses, should the need exist.

* * *

TOURIST INDUSTRY

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my question is for the Minister of Finance. It concerns the devastating effect on the tourism industry of the proposed GST.

In the Atlantic region alone over $2 billion are infused into the local economy because of tourism. In Nova Scotia, 1.6 million tourists leave over $760 million in the local economy.

The effect of the proposed GST will be to send many of these tourists who are seeking a seaside holiday stateside. That is where they will be leaving their money. What measures will this government take to protect this industry which is so vital to a region that has already been battered half to death by this Government's economic policies?

• (1430)

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, the first thing we are doing is we are exempting foreign tourists from the GST on products they buy in Canada, as well as accommodation that they buy in Canada. They will not be taxed, either, on their plane flights into the country.

I will tell the hon. member something else. We have worked hard with the tourism industry to make sure that it has a competitive advantage with other countries. France, Britain, Germany, for example, have tax programs just like we have. We are going to have a GST. Their tourism has increased by almost 100 per cent over the last four years. Let us make sure that our industry is

helped and not pulled down by exaggerations, by defective attacks like this.

Some Hon. Members: Hear, hear!

Mr. MacDonald (Dartmouth): Mr. Speaker, that is a tremendous amount of gall. Some 74 per cent of the travelling public that go into Atlantic Canada are Canadians. What the minister has just said is that Americans will be given preferential treatment over Canadians under this government's economic policy.

My question is again for the Minister of Finance. Given that your government has gutted regional development programs, has mismanaged the fisheries into a state of complete collapse and probably Wednesday or Thursday of this week is prepared to drive the last spike into the heart of the travelling rail public in Atlantic Canada, will you finally not now say that the GST—

Mr. Speaker: I must ask hon. members to put their questions through the Chair.

Mr. MacDonald (Dartmouth): Will the minister now not see that his GST proposal is fatally flawed and withdraw it immediately? Or, is he hell-bent in shutting down yet another industry in Atlantic Canada? That is the question.

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the content of the member's question with a large amount of exaggeration on the various things related to the gutting of regional development is nonsense. This government has maintained a very high level of regional development spending, 50 per cent higher than it was in previous years. The hon. member knows that.

The hon. member also knows that there has been no mismanagement whatsoever of the fisheries industry in Atlantic Canada. In fact we have been working very hard with the industry and with our representations to people in other countries to ensure that we maintain a healthy fisheries industry in Canada.

The hon. member would do his region a good deal more credit and a give a good deal more assistance if he would avoid the exaggerations and start talking facts.

PROPOSED GOODS AND SERVICES TAX

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, my question is for the Minister of Finance. The 9 per cent goods and services tax proposal discriminates against the residents of the northern regions of Canada. Because our cost of living in the north is the highest in the country, each northerner will pay more of this unfair tax. None of the public documents of the proposed GST have assessed the impact of this tax on northerners.

My question for the minister is this: Why was the north omitted from the government's technical paper? Has the government done any background studies on the impact of this tax on the north? If so, will the minister release these studies to northerners?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I should draw to the member's attention that we have done a good deal of work on the impact of the tax on the north. If the hon. member did not just isolate one element but looked at the over-all impact of the tax on the economy of the north, I could tell him that the impact on the north is about the same as the national average. In other words, it will improve the economic fortunes of the north by about 1.5 per cent. That is equivalent to what the national average is.

* * *

PRESENCE IN GALLERY

Mr. Speaker: I wish to draw to the attention of members the presence in the gallery of Mr. Anders Bjorck, President of the Parliamentary Assembly of the Council of Europe.

Some Hon. Members: Hear, hear!

* * *

Mr. Speaker: The hon. member for Churchill.

Mr. Murphy: Mr. Speaker, my question is for the Minister of Fisheries and Oceans. Given that today the minister is aware that the—

Mr. Speaker: The hon. member for Western Arctic.

* * *

PROPOSED GOODS AND SERVICES TAX

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, it is quite clear that we did not get an answer from the Minister of Finance so I my supplementary to him.

It is quite obvious that the government did not give any consideration to the north even though the effects will be devastating. I would like to know if the minister will commit to determining the impact of the tax on tourism, on inflation, on the cost of transportation, on construction, on housing, and justify why northerners should pay a much higher dollar value for the tax on the same item than in the south.

Some hon. members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, in fact I did give her colleague an answer, and I got quite a precise answer.

The answer is that if you take into account all aspects of the tax—not just one or two or three different aspects of the tax but all aspects of the tax—and the impact of that on the economy of the north, the answer that I gave her colleague and the answer that I will give her is that there is a positive impact on the region of the north. The amount is about a 1.5 per cent increase, which is about the same as the national average.

* * *

FISHERIES

Mr. Rod Murphy (Churchill): Mr. Speaker, the Minister has had notice of this question now.

Given the fact that the fish workers in Nova Scotia in attempting to save their jobs are stopping the export of raw fish from that province, what is the minister going to do to live up to his responsibility and keep jobs in Canada?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, the hon. member would know that fish harvested in Canadian waters on both of our coasts and in the central areas as well leave Canada in various forms, including fresh fish which goes into many markets where it commands a higher price than processed fish.

We believe that we should gain maximum employment advantage from our raw materials, but a recent ruling by the GATT makes it quite clear that Canada cannot restrict the export of unprocessed fish to certain markets which demand it. In fact, many fishing companies and many fishermen benefit by this practice. Nonetheless, we encourage maximum processing and maximum opportunity being extracted from the resource in Canada.

Mr. Murphy: Mr. Speaker, that is simply not good enough. Since July of this year over 8 million pounds of B.C. raw salmon have gone to the United States. Last year, over 80 million pounds of raw fish went from Nova Scotia to the United States. The thing is that the minister has not taken his responsibility. He has done nothing to save those jobs. When is he going to start acting?

Mr. Siddon: Mr. Speaker, the hon. member would know or should know that the Pacific coast fishing industry, which he mentions, has enjoyed its most abundant year in history in the quantity of fish harvested and the amount of employment provided to Canadian workers. That is a fact.

Were it not for certain problems with exchange rates and international fish prices, we would have far more employment in Atlantic Canada. Nonetheless, we have a very healthy fishery in this country, and the member knows that.

* * *

[*Translation*]

RAILWAY TRANSPORT

Mr. Guy St-Julien (Abitibi): Mr. Speaker, my question is for the Minister of Transport.

Nearly 700,000 litres of fuel were spilled in a derailment that occurred in Press, Abitibi around 1981. Today, eight years later, some of that fuel is coming back to the surface.

My question is as follows: Could the Minister assure us that Canadian National will install a permanent reservoir immediately, before next winter, to separate the oil from the water and to recover the petroleum spilled?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I am pleased to tell my colleague from Abitibi that the reservoir in question should indeed be installed by next winter—that is, within a few weeks.

* * *

[*English*]

PROPOSED GOODS AND SERVICES TAX

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, my question is for the Minister of Finance. Farmers in Elk Island want to know more about the GST. How long will they wait for the input tax rebate—60 days, 90 days, six

months? Our farmers are important. How long will they have to wait?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, the position of the farmers in the goods and services tax proposal is, I think, quite a good one. Because food is not taxed, and because the products that these individuals sell is tax-free, they will receive a full credit on all these business inputs.

• (1440)

The credit will come not in the length of time that the hon. member has suggested but 21 days after they request the credit. If they do not receive it after 21 days they will receive full interest, so they will get their cash flow well looked after during this period of time, and very quickly.

* * *

FISHERIES

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I have a question as well for my good friend the Minister of Fisheries fresh from his, if I may say so, pitiful performance at the NAFO talks a couple of weeks ago. In my riding of Burin—St. George's alone, 16,000 plant workers and fishermen are looking down the barrel of permanent unemployment, thanks to the minister's bungling of the fisheries crisis.

I want to ask him this question: Has he had discussions with National Sea and with Fish Products International about options to ensure that those plant workers and fishermen are able to keep their jobs? Also, can he assure us that the Canada-U.S. free trade provisions will not prevent the minister and the government from honouring its obligation under the 1983 fisheries restructuring agreement to keep certain fish plants open?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, the hon. member knows full well that he does no service to his constituents by exaggerating and spreading fear that 16,000 workers, as he characterized it, will be without work.

We have certain difficulties in the fishery this year resulting from a number of factors, some of which involve international supply and demand and exchange rates because our fish products from Atlantic Canada are largely exported.

The hon. member knows that a special committee of cabinet on which several of my colleagues and I participate is looking into all facets of this problem. The hon. member also knows that in most respects fishermen in Atlantic Canada are enjoying a year which is prosperous and adequate for their needs in many parts of Atlantic Canada but not as abundant as it has been in the last three or four years in relative comparison.

Mr. Simmons: Mr. Speaker, they will be delighted to hear that they are enjoying it because they did not know that. Now cut out the baloney, Tom; cut out the bombast.

Mr. Speaker: The hon. member will put his question.

Mr. Simmons: Mr. Speaker, last spring the Secretary of State for External Affairs was appointed to head up a fish committee. We have not heard from him since.

I ask the minister this question: Can he now finally tell the House what specific plans he has to bring in an assistance package to keep those fishermen and plant workers working, even if we have to share the work until such time as the fish stocks rebound?

Mr. Siddon: Mr. Speaker, as I have indicated already, the special committee continues its deliberations. When the quotas are set for next year, 1990, we will have a far greater indication of the availability of supply to the industry, and at the same time any measures which might be required supplementary to those available from existing programs will be announced, if required, at that time.

* * *

BIOTECHNOLOGY RESEARCH

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, in the spring of 1987 in a speech to the University of Waterloo the Prime Minister said the following and I quote:

> We know that foreign controlled subsidiaries conduct less R and D than Canadian controlled companies.

And he went on to note that:

> The strategic development of Canada depends upon information technologies, industrial materials and biotechnology.

In light of the Prime Minister's own statements in that speech, I want to ask him this questions: Why is the government standing idly by while the acknowledged

flagship of Canada's biotechnology industry, Connaught Labs, is being subject to a foreign takeover?

Will the Prime Minister outline today what steps the government intends to take under the authority of the Investment Canada Act to stop the takeover of Connaught and to ensure that Canada has a Canadian owned centre for biotechnology research?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, as the hon. member knows, under the Investment Canada Act full authority is there to ensure that any foreign takeovers, including this one, are to the net benefit of Canada. That examination is under way.

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, let me ask the minister, then, a specific question.

As he knows, under section 15 of that act the government has the right to stop any takeover that affects cultural heritage and national identity.

Let me ask this question of the Minister. Does the Minister agree that Connaught Labs, the home base of Banting and Best, is part of Canada's national identity? As a result, will he put on notice today that this government intends to use section 15 to stop the takeover of Connaught Labs and keep it under Canadian ownership?

Mr. Andre: Mr. Speaker, I will certainly give commitment to the House that the Investment Canada Act will be followed. After the proper kind of examination which is called for under the act a decision will be taken. The hon. member seems to be suggesting we should take a decision now and do the analysis later.

* * *

THE ENVIRONMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Minister of the Environment. On January 31, the Minister promised Canadians: "Where environmental considerations will conflict with economic ones the environment will prevail".

Canadians know that the GST fails to recognize the difference between environmentally friendly and polluting products. Canadians know that the cuts to VIA Rail will force the travelling public to depend more on polluting forms of transportation. Bad environmental policies are being forced on Canada by the Minister of Finance.

Will the Minister today show some leadership and announce that he is going to subject the GST to a full environmental impact assessment?

[*Translation*]

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, the Government's existing environmental assessment directives involve several aspects. But the aspect on budgeting in particular does not fit in at all with already existing mechanisms.

That is why we are preparing legislation for the House to give the country a flexible, comprehensive, professional mechanism to deal with any eventuality.

As for the GST in particular, Mr. Speaker, I believe that a measure that will enable Canada to take its rightful place on international markets so that we can create jobs here and improve the sales of Canadian products abroad will put the country's economy on a sound footing to deal with the great environmental challenge.

[*English*]

Mr. Fulton: Mr. Speaker, the Minister obviously does not know that the tax system is one of the most effective places, not least effective places, to assist in promoting environmentally friendly products.

My supplementary is to the Prime Minister who, on October 15, 1988 said: "We are prepared to subject every federal undertaking to a full environmental impact study".

Last week the Secretary General of the Brundtland commission noted: "Canada is a country noted for leading with rhetoric and following others with action".

Will the Prime Minister live up to his promise and subject the GST to his own promise and to his own words from last year?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have not seen the comment from the Secretary of the Brundtland commission, but I have seen comments from Prime Minister Brundtland herself who chaired the commission. She said that Canada's record led the industrialized world. It should be viewed by all

Canadians with pride in regard to what we have done in the environment.

Some Hon. Members: Hear, hear!

Mr. Mulroney: With regard to the matters raised in respect of taxation and others, the Minister of the Environment has responded fully about his intention to bring forward what I believe will be an important and landmark piece of legislation as it affects the environment. I hope my hon. friend and members of the Liberal Party who profess to support the environment will at that point in time rise and give it the enthusiastic support of which they are capable.

* * *

FOREIGN AID

Mrs. Christine Stewart (Northumberland): Mr. Speaker, my question this day, Development Day, is for the Secretary of State for External Affairs in the absence of the Minister for External Relations.

As demonstrated in the April budget under cuts to overseas development assistance, this government has cast a blind eye to the world's poor and sanctimoniously throws them but scraps from our table. Dozens of Canadian non-governmental organization projects have had to be cancelled. Millions of the world's poorest will suffer because of these foreign aid cuts. The poor do not understand our minister's double talk about quality versus quantity of assistance. They do understand the fine line between life and death.

Will the government not review its foreign aid priorities and return to Canadian NGOs the funds chopped in the April budget enabling them to meet their grass roots assistance projects budgets?

• (1450)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, Canada's program of delivery of aid to the poorest is one of the most effective in the world. We intend to keep it one of the most effective in the world.

Now there were budget cuts in the last budget. I would have preferred, as everyone in this government would have preferred, to have inherited an economy that was strong enough and that was free enough of deficits that we would not have had to engage in the kind of major cuts that we have had to engage in across the board. But that was not the situation we inherited.

We came into office after a period of reckless spending by the Liberal Party and government. We have to take account of that for several reasons, including the capacity of this country to maintain the kind of economic growth that will allow us to deliver effective aid in the world including particularly to the poor.

Mrs. Stewart: I challenge the minister to tell that to the thousands of the world's poor, the rickshaw drivers in Bangladesh, the purse sellers in Ivory Coast, the malnourished children in Lima, Peru.

My supplementary is to the same minister. It is interesting that the budgets directed to the poorest individuals at the grass root level are cut, yet CIDA's own budgets for administrative costs and publicity have risen by $114 million.

Our foreign aid target is gone. Which is the greater need, the need of this minister and the government to promote itself and its structure or the needs of the poor?

Mr. Clark (Yellowhead): Without any doubt and without any argument, the greater need is the need of the poor. That is why the policies of this government have been directed so consistently and so effectively toward helping the poorest in the world.

I suppose what we will hear next from the hon. member is a suggestion that we should not be proceeding with the decentralization in CIDA that was proposed unanimously by a committee of this House.

It was proposed for the very reason of ensuring that we are making our policy based upon the needs of the poor in the regions where Canada is trying to contribute to development assistance and not in relation to the whims or the partisan comments of the day that might arise here in Ottawa.

Mr. Kaplan: Mr. Speaker, the former Prime Minister is disgracing himself with an answer like that.

* * *

[*Translation*]

JUSTICE

Hon. Bob Kaplan (York Centre): My question today is for the Minister of Justice. It is generally admitted that Bill 61 on profits from crime is not working well, certainly not as well as in the United States and not as well as the Minister promised. On September 29, the Minister himself admitted in the *Toronto Star* that local

police are not using it. Is the Minister prepared today, instead of keeping all the confiscated profits of crime in Ottawa, to turn them all over to the government or police force that did the work to confiscate them?

[*English*]

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased that my friend has differentiated between the successes we are having in the money laundering legislation and the legislation that in particular his party talks about with respect to proceeds of crime.

In fact, when I was in the United Kingdom this past summer I discussed that very aspect with them over there. There was an editorial as a matter of fact in *The Toronto Star* about two weeks ago which led me to ask officials of my department to bring to me the rationale upon which the act was originally drafted, to advise me as to how it was working. I intend to look into that very matter.

Mr. Kaplan: Mr. Speaker, after admitting himself that the law needs to be looked at, and recognizing the Prime Minister calling for a war against drug crime and against crime in general, the minister should be aware that no change in the act is necessary for the federal government to decide to turn over the proceeds of crime to the order of the police force that fights to confiscate them.

I want to ask him again: is he ready now simply to announce that he will do that, recognizing the shortcoming that he referred to himself and to get the local police forces on side for this important operation?

Some Hon. Members: Hear, hear!

Mr. Lewis: Mr. Speaker, my hon. friend was on the committee. My information is that it was never raised at that point by himself. It was raised by the chiefs of police.

As I said, we are looking into the matter. As soon as we have established the rationale on what action could be taken we will take that action.

Oral Questions

INDIAN AFFAIRS

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, in the absence of the Minister of Indian Affairs I would like to direct my question to the Prime Minister as well.

Today, 1,200 elementary school children of the Six Nations near Brantford have entered the second month of their boycott of Department of Indian Affairs schools because the schools have failed to meet fire code standards, basic safety standards, health standards with respect to water, to drainage and to washroom facilities, and asbestos content.

A study by the Department of Indian Affairs in 1985 condemned four schools and proposed substantial repairs to the two remaining schools and replacement of the condemned facilities. This became a promise of the Department of Indian Affairs. After four years, Six Nations children have been forced to go to school in condemned schools that are unhealthy and renovations to only one of the remaining schools has been completed.

What will the government do to keep its promise to replace the condemned Six Nations schools and to completely renovate the remaining schools so that Six Nations children can go to school under the same safe, healthful, decent conditions as non–Indian children in this country?

Mrs. Dorothy Dobbie (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I would like to inform the hon. gentleman that the department is fully aware of the situation, that it has it well in hand, and that the situation is being addressed.

The hon. member might be interested to know that the students are being well taken care of and that their long–term objective will be met over time.

Mr. Skelly (Comox—Alberni): Mr. Speaker, my supplementary questions is for the Parliamentary Secretary to the Minister of Indian Affairs and Northern Development.

Does that parliamentary secretary consider it adequate for kids to be taught at home because government controlled Department of Indian Affairs schools are unsafe, are infested with rats, with snakes, have floors

and ceilings and walls that are infested with asbestos? Would she like to see her children go to school under these conditions? Is that what she means by taken well in had?

I would ask the parliamentary secretary: When are those schools going to be upgraded to the standards enjoyed by the rest of Canadians?

Mrs. Dobbie: Mr. Speaker, once again the hon. member exaggerates the circumstances. The students are being looked after. We are aware that there are problems with the conditions of the school but temporary measures have been taken to ensure that those students are properly housed in the mean time.

* * *

AGRICULTURE

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, I have a question for the part-time Minister of Agriculture.

Over the past few months we have seen the U.S. retaliate against our dairy industry, our pork industry and our steel industry. Now we hear the American wheat growers are going to ask for a countervail. All this has been under the umbrella of the free trade agreement.

Why did the government tell Canadian farmers during the last election that free trade would protect them from U.S. harassment and that they would have open access to the U.S. market when they clearly do not? Were they deliberately misleading Canadians, or are they just too naive to know?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, if the hon. member spent at least a quarter of his time looking at agricultural issues and studying in particular the free trade agreement as it relates to trade of grains between our two countries, he would know that until such time as the subsidy level on the two countries is equal there will be controls maintained.

• (1500)

In this particular case with regard to Durum, the United States is a much higher subsidizer of Durum and wheat products than Canada is. Therefore, we are penetrating that market simply because of the quality and the price. I think that demonstrates clearly the energy and the enthusiasm that our farmers have displayed in exploiting the U.S. market.

Mr. Speller: Mr. Speaker, they promised that there would be no harassment. Clearly, there has been.

In the past, Article 11 of GATT has protected our right to have marketing boards and bodies such as the Canadian Wheat Board. By allowing the U.S. to question these programs under the FTA, the government has opened the door to challenges and doubt. In the meantime, Canadian farmers are financially bearing the cost of their actions. How does the government intend to defend our interest to stop this harassment from their buddies to the south?

Will the government vote for Canada and Canadian farmers when the GATT panel decision on ice cream and yoghurt goes before the full GATT body?

Mr. Mazankowski: Mr. Speaker, The hon. member cannot have it both ways. He is suggesting that this is a free trade initiative. It is strictly a GATT initiative. I answered that question twice in the House last week to the Hon. Member for Algoma. It has been the subject of a late show in which we outlined very clearly the position of the government. I would invite the hon. member to read those answers.

GOVERNMENT ORDERS

[*Translation*]

SUPPLY

ALLOTTED DAY, S.O. 81—THE ECONOMY

The House resumed consideration of the motion of Mr. Turner (Vancouver Quadra):

> That this House condemns the Government for its mismanagement of the Canadian economy, including:
>
> 1) the threat to impose a new 9 per cent sales tax that is regressive, inequitable, invisible and inflationary;
>
> 2) an unjustifiable high interest rate policy, with an interest rate spread between Canada and the United States that is at record highs;
>
> 3) negligence in the management of Canadian trade causing unparallelled reductions in our trade balance and a loss of jobs, and threatening the survival of many formerly thriving Canadian industries;
>
> 4) abandonment of Canadian primary producers with resulting undermining of the farming, fishing and forest industries; and
>
> 5) continued neglect of regional disparities.

Mr. Assad: Mr. Speaker, to continue the speech I had begun before oral question period, I would just like to say that the GST is not a solution, but rather a problem. It does not get rid of the deficit, far from it. Instead, it creates a situation where Canadian business people are in great disagreement with this approach to taxation. Obviously, the burden borne by the middle class will grow. That is also a very important factor. Obviously, all provincial finance ministers disagree with this approach to taxation. All Canadians have shown their disagreement.

Mr. Speaker, a few minutes ago, the Secretary of State for External Affairs (Mr. Clark) referred to the reason why Canada cannot give more money to the poor countries. He said that the budget would not allow it but if they had inherited a better financial situation, they would have been able to do so. It is rather strange to hear the the Secretary of State for External Affairs, who has been in this House for over 15 years, say such a thing, given that the present Government has been in office for more than five years. How can you explain such a statement knowing that they have been in charge of this country's public affairs for five years, but they are still using that argument that they cannot give more money to the poor countries?

[*English*]

The Canadian people expect an alternative; not alternatives, but rather an alternative. It would be in the best interests of any government in this country to take heed that the Canadian people want their government to reconsider this whole goods and services tax completely.

It has been echoed by many economists in this country that one of our big problems is the fact that the tax system has become so complex that nobody seems to understand whether we are coming or going.

I am sure that an alternative could be looked at. When we see the controversy over the goods and services tax we can go to an alternative. We can be inspired by a document whose principles are still good today, namely, the Carter Commission of 27 years ago. With this document we could make a complete and true reform of the fiscal system in this country. That is an alternative we have to look at and that is going to take a tremendous amount of political will. Unless we have this political will, we are going to lose the confidence of all Canadians, no matter what government is sitting on your right-hand side, Madam Speaker.

In conclusion, obviously this is a subject that could be debated for months on end but, nevertheless, the last opinion should come from Canadians at large. They are not happy with the situation. It is time that the alternative be looked at. It is the only alternative left that can be of any value in bringing back the confidence of the business people and the confidence of Canadians, especially the middle class.

The Acting Speaker (Mrs. Champagne): On questions or comments the Hon. Member for Broadview Greenwood.

Mr. Mills: Madam Speaker, my question is directed to my colleague. My colleague has studied *Behind Closed Doors* on the Carter Commission and other examples of comprehensive tax reform. In his opinion, why does he not think the Government of Canada, which was so adamant on this change from 1984 to 1988, has not rallied and gone for a comprehensive tax reform, and why has the government just gone for this added bureaucracy of an extra 4,000 to 6,000 public servants on GST? Why do you think the government is not acting in a simpler, fairer and more efficient way?

Mr. Assad: Madam Speaker, I would say it is very simple. As you mentioned, *Behind Closed Doors* certainly brought out a lot of facts. The financial elite in this country have been dictating to this government, and to previous governments, in the last 25 years. Under this government with its ideology, I would say the basic problem is that there is no political will nor political courage to look at the matter face to face and say that we need a complete reform because there has been a disproportionate influence from the financial elite in this country.

Mr. Foster: Madam Speaker, I was very interested in the hon. member's speech, and I was especially interested in the impact because of the importance in his area of the goods and services tax on the tourism industry. I would like to know if the hon. member knows just what the impact will be.

Clearly, the government has made moves already this year which have increased the cost of gasoline and those increases will continue in the next year. In my area I hear a lot of complaints about the amount of taxes which have been added to gasoline in the last four years. This move

now with the goods and services tax will hit every kind of tourism item, such as restaurant meals.

For instance, I recently stopped overnight at a motel in my constituency. The owner pointed out to me that if I returned in 1991 after the goods and services tax is in place to stay overnight, had a cocktail before dinner and then had dinner, the following taxes would be imposed. On the room in Ontario there will be a 5 per cent tax; a cocktail before dinner will have a 10 per cent tax; on dinner there will be an 8 per cent tax. On top of that and on top of all these other taxes plus on the meal itself there will be a 9 per cent federal goods and services tax.

• (1510)

My concern is twofold. Our season for tourism tends to be very short in this country, and so we have a very short period of time in which to make a good living for the small tourist operators.

I want to know from the Hon. Member if he feels that the combination of administrative problems plus the additional goods and services tax will be detrimental to the tourism industry because it is a very important one both in his constituency and in mine.

The Acting Speaker (Mrs. Champagne): A very short answer from the Hon. Member.

[*Translation*]

Mr. Assad: Mr. Speaker, I appreciate the opportunity— Of course, his question is most appropriate. There was a very interesting article in today's *La Presse* reporting that the last two years have been disastrous for the tourism industry.

Of course, in the last few weeks I contacted the various tourism organizations in this country, especially the Tourism Industry Association of Canada, and the Conference Board of Canada, which published their reports showing that this tax would indeed be disastrous, especially for the tourism industry.

Despite what the Minister of Tourism is trying to tell us, the facts are there. Everyone else cannot be wrong and they are the only ones who are right! That is impossible! The issue is very simple. This tax will be a nightmare for tourism operators and we will live with it—

The Acting Speaker (Mrs. Champagne): The period for questions and comments is over. Resuming debate, the Hon. Minister.

[*English*]

Hon. Otto Jelinek (Minister of National Revenue): Madam Speaker, I rise to intervene in this debate to put a perspective, in the brief ten minutes that we have, on my department's involvement in so far as the administration of the GST is concerned. Before I do that I would like to answer the question: Why is the government going ahead with a goods and services tax?

First, let me say that I come from a small business family and I was a small-businessman myself for many years. The answer to the question is very simple. In the good natured rhetoric that takes place in this chamber and outside we sometimes forget why the government is committed to moving ahead instead of staying with the *status quo*. The easiest thing for any government is to stay with the *status quo* and not move forward in a progressive and aggressive way for the benefit of future generations and for the benefit of allowing Canadians to reach their full potential.

I think it is a universally accepted fact that the existing federal sales tax is an obstacle in the way for Canadian manufacturers, producers and exporters. I know because I was an exporter, a manufacturer and a producer in Canada. There is nothing more damaging to the potential of the Canadian manufacturer and producer than the existing federal sales tax. I think that is universally an accepted fact. Even our friends the Liberals and New Democrats who agreed on that a year ago are now suddenly asking that this whole GST be dropped.

I cannot understand suddenly the opposition parties coming here for their own political reasons and saying: "No, we cannot go ahead with this, we cannot go ahead with that," without coming forward with any alternatives.

I see one of the Liberal members shaking his head. Obviously, he has not been in the business community because if he had been he would know very well that the existing federal sales tax, while the world changes around us, is a major, obstacle for us to be able to produce and compete on a level playing field with the international market-place and for us to to have free trade.

We are not re-inventing the wheel. There are 48 countries around the world which have a value-added tax. If we do not change, move forward and accept the fact that we have to give our producers an opportunity to compete on a level playing field then we are not going to be able to keep up with the rest of the world and we will fall further and further behind. I do not want that to happen to my children or to anybody else's children in this country without them having full opportunity.

Now what we must do from the standpoint of an administrative situation is make the GST system more workable. It must be understandable and it must impose the least possible addition to the paper burden of both government and the taxpayer and, in particular, the small business community.

To achieve this goal, we have designed a program that emphasizes two key points: consultation and information. In order to facilitate this initiative I have established within the Department of National Revenue a special industry consultation group. The consultation group has begun individual meetings with major national trade and industry associations and professional groups on whom the GST will have a significant and immediate impact. We will be putting special emphasis on sectors that have unique needs, I have already mentioned small business but also charities, financial institutions, farmers and so on.

I can assure all those who accept this open invitation that their views and concerns will be seriously considered because in my view the best way to avoid problems is to consult and we are going to do just that.

I believe by doing that, the consultation process will benefit the government and, more importantly, it will benefit the business community and the taxpayer.

We will also be providing information to those taxpayers who request it. It is for this reason that our information campaign, including registration and information programs which will begin later next year, will be far-reaching. In addition to registration kits and printed information that will be available early in the 1990s, we must provide local seminars and one-on-one assistance to as many registrants as possible. We will do just that. We will provide a service never before witnessed in this country.

This service, this support, this assistance will need additional resources. I spoke to a group of chartered accountants earlier today. I announced the steps necessary for us to be able to meet this requirement to provide the service, and to be able to meet the needs of an estimated 1.6 million taxpayers as compared to the 75,000 who are currently paying the federal sales tax. By the way, Madam Speaker, that is the reason it is unfair. Why should the tax burden, in this instance of $18.5 billion, fall on the shoulders of 75,000 Canadian producers and manufacturers who will be then hampered in producing more products and creating a better economy and, therefore, establishing greater job opportunities in an international competitive market? So in order to provide this service, we are shooting for a target of between 3,400 and 3,900 additional person-years in order to be able to: (a) administer the goods and services tax; and (b) provide the services that are so necessary particularly to the small business community.

I would like to point out that the ratio compared to the International Monetary Fund is not bad. In fact, it is pretty good. Because I and my officials in this government have spent the last six months or more in looking under every rock, to use that term, to utilize existing facilities, to utilize existing resources, to look forward to innovative methods and ways of dealing with the GST, to find the most state-of-the-art technology possible. That is why our ratio, compared to the IMF, is considerably better. The ratio on the IMF for a value-added tax such as ours is one person for each 250 taxpayers; ours is one person for each 300 plus taxpayers.

So I feel very positive that instead of sitting on the *status quo* as the opposition parties would want us to do, we are moving ahead. It is very clear that this government is moving ahead with the GST.

The Finance Committee hearings continue. We continue to consult with Canadians, but when we put this measure in place by next year, when we have the one on one involvement with the Canadian taxpayer and the Canadian businessmen, I can assure you that we will be far better off as we move toward the next century. If we had stayed with the *status quo*, we would not have had a Free Trade Agreement with the United States. If we had stayed with the *status quo*, we would not be reducing the deficit by $10 million. If we had stayed with the *status quo*, we would not have created over 1.5 million jobs in this country in the last five years. If we had stayed with

the *status quo* we would not have been able to give our children and our grandchildren the opportunity that they deserve.

• (1520)

All of us who are elected to this chamber must put political persuasions aside because if we were doing this only for political reasons we would not be doing it. We are doing this because we believe in Canada and we believe what we are doing is right for the future of Canadians and right for my children and your children. That is why we are not putting any emphasis on a popularity contest.

This is not a simple thing. This is not an easy matter. It is not a popular matter today. But when Canadians see that it is going to give our children the opportunity to reach their full potential I think they will understand that this is the right thing for Canada and for future generations.

Mr. Pagtakhan: Madam Speaker, the hon. minister for the government indicated that this side opposite should have an alternative. Some 80 per cent of Canadians are asking the government to have an alternative, to go back to the drawing board on this proposed tax. Does the government not want to listen? We believe that in the best tradition of parliamentary government when some 80 per cent of Canadians are opposed to this tax, there is a clear message to the government which has the first responsibility to draw up an alternative to what obviously is an obviously wrong tax proposal go back to the drawing board.

I would like to ask the hon. minister some specific questions. Can the minister guarantee Canadians that this proposed tax will not be a powerful and tempting tool to grab taxes from the people?

Second, how can it be workable when even the small businesses say that truly this type of tax is a "gouge and a squeeze tax"? How can you then tell them that this tax is simple when in fact all testimony has told us that it will be confusing, it will be complex as far as record-keeping is concerned, and that there will be many other nightmares in the administration of it?

Third, would not the minister agree that this tax will be a vehicle for greed and dishonesty on the part of government to increase taxes in the future? Last, I submit the minister has to agree that tax even only on some food, when some people cannot even afford to buy food with their type of meagre earnings, will be a threat to their physical health. A tax on the tools of learning, for those who want to study but can barely afford to study, will threaten their intellectual health. That a tax on death is truly a reflection of insensitivity on the part of government to collect taxes from the dead.

Mr. Jelinek: Madam Speaker, I would probably need half an hour to answer in detail all those questions but I will try as quickly as possible to answer the last part of the hon. member's question about basic groceries and low-income Canadians paying tax.

I do not know where he has been for the last three years since this tax proposal began to be debated because it is three years and more specifically since the technical paper came out. But the member will know that basic groceries are exempted. He will know that consultation still continues with the food industry to eliminate any grey areas that exist in that industry. He will know that there is a GST tax credit being offered as early as this December when my department will be mailing out income tax forms to all Canadians for low-income Canadians to be able to register for tax credit. He will know that the low and medium-income Canadians in this country are going to be better off as a result of the GST. He should know as well that by eliminating the obstacles to Canada's manufacturers and producers and opening up greater opportunities for trade and competition all Canadians are going to be better off. So that answers the first part of the question.

Second, will we raise the tax? What a silly question. We have a federal sales tax, if we wanted to raise taxes, and sometimes you have to raise them, if you are left with a bankrupt economy like the party that he represents left us with five years ago. We cannot continue to put the burden of our deficits on the shoulders of my children and yours. What is the difference whether we raise the GST or whether we raise the existing federal sales tax except for the fact that the Minister of Finance has already stated that the GST is not going to be raised, except under exceptional circumstances, until 1993-94.

Finally, the question that the member asked about grab bag taxes. How can he say that a GST which is a broader based tax is some sort of a grab bag of taxes when we have a $18.5 billion tax grab in the federal sales tax on the shoulders of 75,000 Canadian manufacturers

and producers? That is the unfairness of the existing tax. That is why it is being changed.

We will receive out of the GST some $24 billion, $5.5 billion of which will go back into the economy through tax credits for people earning low and middle incomes. Part of it will go back to assist small business collect the tax. Therefore, the net revenue will wash out in the process while assisting Canada's economy to grow and prosper so that we can all be better off instead of the regressive policies of the Liberals, not to mention the New Democrats. That is why we are doing this, for the betterment of Canada.

Ms. Ethel Blondin (Western Arctic): Madam Speaker, it is almost a year since the election. During that time, I have risen in this House in numerous debates to explain to the government opposite and to the members about the unfairness of a proposed government program, the harshness of some new policy on the devastating effect of the budget on people who live in the north, on people who live below the poverty line, on aboriginal people, and on women.

The free trade agreement, the deregulation exercise, changes to the post secondary education policy for native people, the Budget, the unemployment insurance changes and now the proposed tax reform. In every instance it is the same story. Those who get hurt the worst are always the women, the poor, the aboriginals, the northerners, Canadians who live in the far extended regions of this country. There are Canadians who cannot pay their mortgages, and most young people cannot afford one.

Students cannot afford the education they need. There are elderly people who cannot afford to pay for their health care and for their rent and food also. People sleep in the streets. The number of homeless is increasing. Farmers are closing down their farms. It is a story as old as history.

The difference between the Conservatives and the Liberals: Tories divide the nation in half, into those temporarily better off and those worse off before and call it recovery; Liberals speak for the minorities and for those who have not yet entered the mainstream, for ethnics who want to add their culture to the mosaic that is Canada, for women who are 52 per cent of the population and 52 per cent of the talent of this country, for young people demanding an education and a future, for senior citizens terrorized by the idea that their only security, their social security is being threatened, for millions of reasoning people fighting to preserve our environment from greed and stupidity and fighting to preserve our very existence.

This government has become so arrogant and so elitist that there is no hope for grassroot Canadians to catch up. I read the speech which the Minister of Finance gave recently in New York to the Economic Policy Council of the United Nations Association of the United States. He proudly recited all the "destruction" that this government had caused in our country in the past five years and then said: "We have introduced income tax reform, and are moving ahead to replace our antiquated manufacturers' sales tax with a multi-stage goods and services tax, a value added tax, that will come into effect on January 1, 1991".

The Minister did not even pause, let alone explain to the UN delegation that the entire process is in the hands of Canada's parliamentarians and its citizens. He misled the Canadian public in every ad which he placed in newspapers across the country stating that this tax would be implemented in January, 1991. We as members on this side of the House have become accustomed to these lies and we are no longer surprised at the contradictions and the redundancies. But to lie to his friends in New York, I thought the Minister would be a little more sensitive.

• (1530)

If one of them were to ask how Canadians feel about this tax or how it affects Canadians, would he not have to tell them? I think he would have to tell Americans what they will learn from Canadians: that as a result of the goods and services tax, the gross domestic product will be cut, wage and price increases will spiral, labour costs will increase, as will the Consumer Price Index. There will be employment losses, inflation will rise, interest rates will be pushed up and, contrary to what the finance minister told this UN economic policy group, Canada will have the slowest growth rate in the Group of Seven, which consists of the U.S., Japan, Italy, West Germany, Britain, France and Canada.

This cut in growth will mean a sharp decline in domestic demand which will be reflected by retail sales, housing starts, business investment and government spending. Perhaps government spending will soar when revenue from this alleged revenue neutral tax gets added

to the federal coffers. I bet this government gets even bigger when it is handed another cash cow.

I want to mention quickly two more contradictions in the minister's speech which he gave in New York because they illustrate just how redundant this government's policies really are. He talked about the rebirth of belief in market economics.

I was interested in an article in the *Toronto Star* which expanded on the federal government telling Canadians to put their faith in the market. It said that free trade is good for Canada because it creates one big North American market. The new Progressive Conservative goods and services tax will be a bonanza because it will remove distortions in the market caused by the existing sales tax. For the most part the government's policy is based on a belief that the market makes better economic decisions than a bunch of politicians in Ottawa, but apparently even the Tories do not think that is always the case.

During the last election, for example, the Tories decided they knew more than the market about oil prices and prospects. The market was telling Canadians that energy megaprojects were too risky at the prevailing price of oil. But, since the Tories thought they knew better, they proceeded to commit megabucks to megaprojects. How does that interventionist spirit square with the Tory vision of one big happy market?

Studies have slammed the government for risking billions of taxpayers' dollars on the highly questionable assumption that crude oil prices will rise substantially over the next two decades. If that does not happen, Canada will lose a substantial portion of its megaproject capital. In other words, billions of taxpayers' dollars will go down the drain.

It is too bad the free trade deal does not allow Canada to pass on the Tories' new 9 per cent sales tax to U.S. consumers who may end up buying subsidized Canadian oil.

The third flaw in the minister's speech that day in New York was one we are all akin to: "If we expect to prosper, we shall have to control the destruction of our natural environment". Is it not ironic that on the eve of shutting down parts of VIA Rail service, the most environmentally friendly means of transportation, the Minister of Finance dares to present to a delegation at the United Nations his government's passionate commitment to environmental protection?

It is like this government's commitment to the poor of this country. The so-called beneficiaries of the tax are to be lower income earners according to the Minister of Finance, but the poor of this country have already lost so much during the reign of this Conservative government through increasing taxes that, on balance, they as well as others have become big losers.

The poorest of Canada's poor are women, for instance. Moving away from a progressive income tax toward a regressive tax on consumption hurts women most because they are in the lower income groups. The credits for those earnings less than 25 per cent are insufficient. It does not compensate for the cost of the sales tax.

For instance, although day care is exempt, the cost of the service could increase because day care operators will pay tax on many items, such as diapers, toys and any other services that they need to carry on their business.

Another group of low-income earners are aboriginal people. I want to mention that credits to low-income earners are not tied to inflation. In reviewing the details of the proposed national sales tax, there does not appear to be provisions to exempt off-reserve treaty Indians from such a tax. Therefore, I do not know whether the government will be implementing a process to reimburse the tax to native people affected. These people have a unique constitutional position on such things as taxation.

Certainly, northerners are not exempt. The proposed tax will cause tremendous problems for consumers and small businesses in the Northwest Territories. It will have a devastating effect on tourism, inflation, transportation and construction costs. Northerners want to develop politically and socially in a way that eliminates uncertainties and encourages northern people to participate fully in achieving self-reliance. We are looking for new avenues to strengthen our economy and to assert our pivotal role in Canada's future.

This government is making it almost impossible for the north to develop and for northerners to catch up economically with other Canadians. We have the same right to opportunity as any other Canadian citizen. This government continually implements programs that keep us down.

The budget and this tax reform disproportionately hurts northerners more because we already have the highest cost of living. The dollar value of the tax paid in the NWT will be much higher than the tax on the same item in the south.

Today the minister said the impact of the GST will be minimal on northerners. Yet, after six invitations to the north, this minister has not complied to see for himself. He has not, in fact, tabled the analysis that was done on the GST and the impact it would have on the north.

Mr. Malone: Madam Speaker, the hon. member listed a number of people who, according to her perspective of society, will need some assistance. I think it is important to draw the distinction that what is important is not that we stare at our feet and look only at those who need assistance, but that we put in place systems that are long term so that a nation and its government have the capacity to give that help. While I do not disagree or debate with the member on some areas where we might be more generous as a nation, I do debate some of the specific examples she gave. She said she knew of a whole host of elderly people who could not get medical service in this country. I dispute that. I do not believe that.

I would not expect her to name them in the House of Commons, but I challenge her to supply the names, because I believe that Canada can be of help. We are helping today and I do not think it is appropriate or fair to suggest otherwise.

She indicated that there is along list of European countries which are doing better than Canada or will be as soon as the GST is through. She should know that when the party she belongs to was last in government, in 1984, Canada's rate of economic growth was in thirteenth place just behind Luxembourg. Today we are second and ahead of every country in Europe.

I would like to ask her what authoritative economic evidence she can put forward. Canada is the only country in the world that has the manufacturing sales tax, the only country that taxes its manufactured products. We were similar to Argentina which put export assessments on all of its exports, trying to put together a wall around the country. Canada was the only one which tried to export into an external world by taxing against its manufacturing.

Can the member give us one authoritative document that will show that when we make a change to that tax we will lose our competitive edge? Having gone from the position when her party was in government of eleventh in competitive factor to today being fourth in the world, how does she think that this will put us back to where we are behind all the countries in Europe? Can she cite the source that is economically credible, anything at all other than the newspaper articles that she may have read at some time?

Ms. Blondin: Madam Speaker, I would like to say to the hon. member across the floor that I am not the Minister of Finance. If I had the resources of the ministry of finance, I would certainly produce documents to sell the goods and services tax and its merits, which the government is not doing. When this government is willing to give me the statistical analysis it did of the impact of the GST on the Northwest Territories, I will be very happy to try to answer some of your questions. I am not the Minister of Finance. All I can give as evidence is to say if your goods and services tax is so good, then all the Canadian people would be endorsing it. They are not.

• (1540)

Mr. Neil Young (Beaches—Woodbine): Madam Speaker, I want to say a few words on this motion that roundly condemns the government for a variety of issues that would properly fall under the topic of how the government is managing the Canadian economy. I want to say at the outset that I was interested to hear the remarks of the Minister of Revenue a few minutes ago. He said the reason this government was bringing in a 9 per cent sales tax was for the good of Canadians. Over the last several months I have not talked to one Canadian who feels that this 9 per cent sales tax should or could be supported.

That is not quite true. I issued a questionnaire in my constituency. I have begun receiving responses to that

questionnaire. So far about 2,000 questionnaires have come back opposing the sales tax. Four, perhaps five questionnaires have come back supporting what the government is doing. I do not think this government was either elected on a mandate to introduce such a sales tax or should have the right to proceed with such a sales tax, particularly when you consider the impact that sales tax is going to have on poor and middle income Canadians.

I had an opportunity several weeks ago to be in Nova Scotia, just outside of Sydney on Cape Breton Island. Six out of every 10 individuals in that community are unemployed. The average income in that community is around $24,000 a year. In one of the communities I visited, a mine which employed about 1,300 people is being threatened by closure. This government is not only imposing another 9 per cent levy on disposable income for people who can hardly afford to live now, but on top of that is slashing funding for VIA Rail. VIA Rail very often is the only means of affordable transportation in that region of the country and elsewhere.

Apart from the fact that it is affordable transportation, it is good transportation. I have heard the Minister of Transport make the argument that the government had to cut back on funding for VIA Rail because of heavy government subsidies. There is not a transportation system in this country that could operate without government subsidy, and that applies to the airline industry as well as every other means of transportation in Canada. In fact that is why governments, by public policy, have always supported that kind of transportation.

Years ago Tories believed that transportation held this country together. They also used to believe that the CBC was a vehicle for holding Canada together. I still happen to believe that. These people are hell bent on slashing funding. It is an organization that has proved to be of invaluable service in providing information to Canadians, regardless of whether it be on Vancouver Island or in Newfoundland and Labrador. All you have to do is to go into northern Canada to discover how valuable those institutions are to holding this country together as a nation.

I want to go back to the sales tax because it is so unfair that it is, for me, beyond belief. We are talking about removing another 9 per cent of disposable income from senior citizens' pockets, from people who are disabled, people who can least afford it.

In Nova Scotia, which I spoke about a few minutes ago, if this sales tax goes through, sales taxes are going to be around 19 per cent. In Ontario, this 9 per cent increase will mean a 17 per cent sales tax.

The Toronto area is supposed to presently be in a very affluent situation. It is not. There are an awful lot of people in Toronto, for example, who are working in part-time jobs, who cannot find full-time work because they do not have the skills. Another area this government is cutting back on is skilled training programs.

Toronto, compared with some other areas of the country, is, generally speaking, better off. However, when you scratch the surface and get underneath, there are an awful lot of people in the Toronto area hurting just as badly as people in other areas of Canada, and this government is not providing solutions. In fact, it has very much been a part of the problem.

I am talking about single-parent families, headed mainly by women, who are having a hard time putting shoes on their kids' feet, clothes on their backs and meals on the table. If this government gets away with this 9 per cent sales tax, it is going to make life even more difficult for those women and their kids. That is one of the reasons why we in the New Democratic Party are going to do everything in our power to prevent this government from doing that to average Canadians.

The Minister of Finance said a number of things prior to the election. He said if they did go ahead and implement this sales tax that it would be visible to consumers, that it would show up on the sales slips at the sales desk. Number two, it would be revenue neutral; that is the government would not be looking to have additional revenues other than what it had prior to eliminating the manufacturers' sales tax, and that it would not go toward decreasing the deficit.

Well, the chairman of the House of Commons finance committee during the election campaign said that the sales tax would prove to be a boondoggle for the government, an increase in revenues. The next day the Minister of Finance was on national television saying that the hon. member for Mississauga South was a loose cannon, he did not know what he was talking about and denied that the government would ever proceed to go into the pockets of Canadians who could not afford it

and do that to them. He asked Canadians to trust him. Well, as we all know, they trusted him once again and put this government back into power.

They trusted the Conservatives as well in 1984 when they were first elected. The Prime Minister made the declaration that universality and social programs were a sacred trust. They were not elected two days when they started trying to slash senior citizens' pensions, mothers' allowances, family allowances, and everything else that prior to election day this Prime Minister said was a sacred trust that he was going to protect for average Canadian families. We all know what he did subsequent to that.

In fact, I want to read a quote that I came across this morning. The chairman of that finance committee whom I just spoke about now says that: "the government has killed universality and is dragging the corpse out the back door."

I think the hon. member for Mississauga South is an honest gentleman, and I think he not only calls it the way he sees it, but the way he analyses the evidence that he has before him. I think he is absolutely right on. If this government has not actually killed universality, it is fast on the road to doing it.

I hope the Prime Minister does not make any more promises to Canadians about things being a sacred trust because as soon as he does, you know that sacred trust and that program is going to go right down the tubes.

• (1550)

When that Prime Minister was elected and said "Canada is now open for business", no one in the country thought he meant he was going to sell the whole damned country down the tubes. That is exactly the direction he is heading. Every policy that comes out, whether the government wishes to acknowledge it or not, can be tied to that free trade agreement that these guys negotiated and have not yet concluded.

I think an awful lot of Canadians are beginning to wake up and find that the Prime Minister's assurances once again not only were not to be believed, but were going to be reversed.

Finally, the Minister says that health care is exempt. I met with a group of psychologists two weeks ago who told me that if they provide that kind of service in their office, it is not exempt from the 9 per cent sales tax. If they do it in a hospital facility, it is exempt. I think at the very minimum the Minister of Finance should come clean with Canadians and tell us exactly what is exempt, what is not exempt, how it is going to apply it and last, but not least, that he is going to withdraw it in the face of the opposition that there is in the country to that kind of fiscal measure.

Mr. Thacker: Madam Speaker, my friend opposite is more fair minded than many others in the House. I would like him to comment on the fact—this is a basic fact—that Canada is the only industrialized nation in the entire world that puts this special tax on its manufacturers, so that we have 75,000 manufacturers paying over $18 billion in tax.

Would he comment on that in light of the fact that 48 other industrialized nations have moved to this type of tax, often for the very reason that I have just given to him. Do they have more poor people in France, Sweden, Norway and those types of countries for having this tax? That is what he is saying. He is saying that we are going to have more poor people if we do this. I do not think the factual record shows that. Would he please comment.

Mr. Young (Beaches—Woodbine): Madam Speaker, I do not think I said it would make more people poor. I think I said that it would make poor people poorer yet. I think that is a more accurate reflection of what I said.

I think there is general agreement that the thirteen and one half per cent manufacturers' sales tax is unfair and it should be dealt with—

Mr. Andre: How?

Mr. Young (Beaches—Woodbine): How about fairness, for one?

I understand the Minister of Consumer and Corporate Affairs would not understand that word, Madam Speaker, but how about fairness. They ask me again, what would we do. How should we replace it. I say simply with fairness.

An Hon. Member: Spend more.

Mr. Young (Beaches—Woodbine): No, I never said that either. I never said spend more. But I would argue very strongly against some of the changes that have taken place in the tax system over the last number of years, where this government is more and more clearly being seen as a government of big business. If you shifted some of that tax load back to the corporate sector, from where you have placed it on middle and low-income Canadians,

I think that is how you deal with that unfair thirteen and half percent manufacturers' sales tax.

You do not remove the burden from big business in this country and transfer it over to people who are already being nickeled and dimed to death, to the tune of about $1,800 or more a year in personal income taxes since this group got elected, then come along now and say you are going to ding them for another 9 per cent. That is exactly what this government is doing. When you ask what we should do, I ask you to ask yourself what would you do in terms of bringing fairness back into an unfair tax system that this government primarily created?

Mr. Thacker: My friend has said that the poor would be poorer. I do not think the factual record will bear that out either. As he knows, since we have become the government, we have moved to these refundable tax credits rather than deductions. A $4,000 deduction against income helps a very rich person far more than a flat tax credit. That's a good thing and the facts show that people under $30,000 are better off than they would otherwise have been given the fact that more revenues were going to have to be collected. If we had had to collect the revenue under the old system, the poor would be far worse off than with the changes we made.

Under the new program families making less than $30,000 will again get this refundable tax credit which, in principle, I am convinced is the right way to go. How can he say that the poor will be poorer given the fact that they are actually going to get a cheque every few weeks?

Mr. Young (Beaches—Woodbine): Well, Madam Speaker, the logic of that argument is not acceptable to me at all. Rather than deal with that specifically, I would like to remind the member that it is built into the White Paper, as I understood the proposal, that because the tax credit is limited to anything in excess of 3 per cent increase in the cost of living, that tax credit will be reduced eventually until it exists no more, as I understand it. As I understand the White Paper, that is exactly what is set out in the formula. There is no doubt in my mind as well that if this government brings it in, whether they bring it in at 6 per cent and everybody thinks "Oh, my God, thank God it wasn't 9", then within two or three years that thing is going to increase, because it is a cash cow for governments and that has been the way it is in every other country in the world that has that kind of sales tax. I can see the poor getting even poorer, so I don't accept at all the argument that we will be better off as a result of this measure.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Madam Speaker, I welcome this opportunity to speak on this Opposition day, when we have a chance, if one can call it that, to hear the same old clichés.

Those of us who have been here during the past five years will remember that we have had five budgets. After every budget, during the period set aside for Opposition speeches, the Opposition told us that jobs would be lost, that the poor would become even poorer, that Canada was going down the drain, that Canadians wouldn't stand for it and that we would be beaten in the next election.

Madam Speaker, you will of course remember Mr. Wilson's economic statement in November 1984, a statement that identified four major challenges: First, reduce the deficit; second, increase Canada's economic growth; third, promote investment, innovation and competitiveness in business; and finally, help Canadians in need.

These are the four major challenges Minister Wilson identified in 1984. We have made considerable progress since that time, but there is more to do yet. What we still have to do, Madam Speaker, is implement the goods and services tax, Part II of a tax reform that is already under way.

Last year, we introduced a tax credit for the first time, and as you know, Madam Speaker, a tax credit is twice as attractive and twice as profitable as an exemption. And above all, it is the fairest way to treat Canadians, because when you have two Canadians, one who earns $100,000 annually and the other who earns $10,000 annually, under the previous Liberal Government both were entitled to a basic exemption of $3,000. This worked out to a savings of about $300 or $400 for the person who had an annual income of $10,000 but the individual with an annual salary of $100,000 was able to save at least $1,500 on his income tax. This was criticized by the Liberals and the NDP. They said it wasn't fair, while we feel that with a tax credit of $1,000 for everyone, the same amount,

whether you earn $10,000 or $100,000, the system is fairer and more equitable.

• (1600)

It is often said that sales tax is regressive. For instance, going back to my first example of a person with an annual income of $10,000 and another person who earns $100,000, when these people have to buy a pair of shoes, for instance, the 9 per cent tax will take a proportionally larger chunk out of the income of the person earning $10,000. And that is why, Madam Speaker, our proposal to change the federal sales tax includes a tax credit, but in this case a refundable tax credit, while today, we have a tax that is hidden, a tax that distorts, that provides for 22,000 exemptions and which at the manufacturing level is as high at 13.5 per cent, a tax nobody sees and nobody knows about. We are removing that tax. We are going to remove it completely and replace it with a 9 per cent tax at the consumer level. Not a ripple effect tax, not 9 per cent at each level and cumulative. It will be 9 per cent from start to finish. Nine per cent is paid once, that's all. And only on new goods, not on used goods! Canadians will see the tax and know why they are paying it.

People on low and middle-incomes, all those people and households with incomes of less than $30,000 per year, will receive a tax credit. They will receive it before the tax comes into force. They will receive the tax credit in December 1990, while the tax becomes effective on January 1, 1991. They will receive the credit on a quarterly basis, so that individuals and families on low-incomes will not be hit by a regressive tax as was the case under the previous Liberal Government, because the 13.5 per cent at the manufacturer's level was paid by everyone, both rich and poor.

Under our system, Madam Speaker, those who can afford to pay will pay, while the others will receive a refund for the amount paid. That is important. That should be emphasized. And that is part of the tax reform that was started last year.

On Saturday, I was in my riding, and I had an opportunity to go to a lunch at the *Traverse des âges* where about 300 senior citizens are members, and several asked questions before lunch, a lunch where they serve beans which are always very popular, and they said: So what is this GST? What is this 9 per cent? And when I pointed out to those people that if they make $30,000 or less, they would receive a tax credit four times a year, I can assure you, Madam Speaker, that opinion polls and everything else mattered little to them, because they understood that this tax was for the good of the country and would not penalize them—that is important. That is what makes a tax not regressive: when it applies to those to whom it should apply and is refunded to those who cannot afford it.

Again on Saturday afternoon, Madam Speaker, I was in Pointe-du-Lac to meet with the *Mouvement Action-Commerce*, the association of Pointe-du-Lac business people, who had an exhibition. Small and medium-sized businesses will be paid by the federal Government to collect our tax, the GST. At the end of the month, if they paid out more in tax than they collected, they will be refunded the difference within 21 days. Madam Speaker, that is what makes a tax right, good for the country, applicable, simple and fair. Small businesses with annual sales of less than $30,000 will not even have to collect that federal tax. The tax is fair, non-regressive broadly based and accompanied with tax credits!

I was listening to the Hon. Member for Beaches—Woodbine (Mr. Young) say just now that they admit the present federal sales tax is not good. They admit that 13.5 per cent is not good. And the Liberal Opposition critics say the same thing. Everyone in this House and on the Standing Committee on Finance agrees that the present tax is not good because it is hidden, it is harmful, etc. But while they agree with that, they do not agree that the alternative tax we are proposing is good, although it meets all the normal criteria that an economist, a tax specialist, a sociologist or a political scientist would wish for a federal sales tax imposed at the consumer level, a tax which has proven itself in 48 other countries. I think that must be emphasized.

More than nine million Canadians earning $30,000 or less will receive cheques from the federal Government before this tax is implemented. You know that nearly 65 per cent of Canadians earn $30,000 or less. So if 65 per cent of Canadians receive a tax credit, it means that the 35 per cent with higher incomes will pay their fair share of the federal sales tax. I think that must be emphasized.

The amount given out will be about $1 per working day for adults and of course somewhat less for children. The new federal sales tax, the GST, was introduced to replace an existing 13.5 per cent tax with a more broadly based 9 per cent tax that is much less regressive. This fits in with what has been done since 1984.

Look at the reduction in public expenditures. In 1984, they were 19.5 per cent of our gross national product. This year, they are 16.5 per cent. Therefore, government spending has gone down in the past five years. We deregulated both the energy and transportation sectors to boost the Canadian economy and help Canadian industries. We privatized Crown corporations which were neither important to nor necessary for Canadians and used to compete directly against the private sector. The Government collected taxes from the people and took that money to offer overly generous grants to companies.

We signed the Free Trade Agreement with the United States and, as you would know, this agreement is bound to help Canadian business. Unemployment declined from 11.2 to 7.8 per cent. A million and a half new jobs have been created in Canada over the past five years. Earlier I heard the Hon. Member for Beaches (Mr. Young) say that unemployment is rampant in Toronto and that people can feel its impact Mr. Speaker, I would suggest the Hon. Member was kidding when he said that. We all know everything is going along just fine in Toronto. Were the riding of Trois-Rivières experiencing the kind of economic boom they now have in Toronto, I think we would not be complaining. Even at that, we are not that badly off in the riding of Trois-Rivières.

Well, Mr. Speaker, I see you indicating my time is drawing to a close. The deficit stood at $39 billion when we took office, it is now down to $28 billion. To put it another way, we trimmed the annual deficit down 25 per cent in four years. What does that tell us? That we have had a sound economy. And we have had a sound economy precisely because our policies did encourage investors and Canadian business alike. As I said, the 9 percent GST is part and parcel of the over-all plan.

• (1610)

Seen from that vantage point, Mr. Speaker, I think it is imperative that the legislation to implement this tax be adopted as soon as possible just so we can be like the 48 other countries which have a fair and acceptable tax system.

Mr. Duhamel: Mr. Speaker, I would appreciate the Hon. Member's comments on the following.

[*English*]

This morning, one of his colleagues indicated that he felt that this tax was fair to youths seeking an education in spite of the fact that they will be paying more for their education. We are talking about 500-plus students from universities, 300-plus students from colleges. He thought it was fair for seniors and people on fixed incomes. Some of them will be hit by this tax in addition to the clawback. He thought that it was fair to small businesses. Small businesses have, almost unanimously to my knowledge, said that the tax will be a nightmare, an absolute disaster. It will be extremely costly. It will make them less competitive.

Canadians generally are going to be subjected to this tax by roughly $600 for the average Canadian family in addition, I might add, to $2,800 in additional taxes during the last five years. I suppose that the member who spoke this morning, and I hope that my hon. colleague here can disagree with him, would suggest that the VIA Rail cuts that will affect 2,900 people if they go as proposed is fair, that the unemployment insurance changes that will affect over .75 million Canadians are fair.

The tourism industry, the food industry, the building industry and many others are opposed to this tax. They recognize that it will increase inflation, that it will shoot up the interest rate, that it will cause a loss of jobs. I would like to have my hon. colleague's reactions to these comments. Please, I beg you not to tell me that the Liberals made us do it.

[*Translation*]

Try a different approach!

Mr. Vincent: Mr. Speaker, it is rather unusual to hear such comments from a Liberal Member, the Hon. Member for Saint-Boniface (Mr. Duhamel).

Maybe they are afraid of the truth, but after all, the debt we have today is their fault. And as it happens, the federal sales tax is their fault as well—

Mr. Duhamel: Just as I said, that's all you can say!

Mr. Vincent: They didn't have the guts to make any changes.

Mr. Speaker, in 1978—

Mr. Duhamel: They should take a course—

Mr. Vincent: You had your chance. It's my turn now.

Mr. Speaker, in 1978, I was studying for a master's degree in tax law, and that was eleven years ago. At the time, we were taught that the federal sales tax system was a disaster for Canada, and that was eleven years ago. Who was in power eleven years ago? Was it Social Credit? No, it was the Liberal Party of Canada which appointed all kinds of commissions but never had the guts to say: This is bad for Canada and we are going to change it. That is what we are doing now. The federal sales tax is bad for Canada, we are going to change it and we are going to have a tax system that is fairer and more equitable for Canadians. And that, Mr. Speaker is what the goods and services tax is all about.

The Acting Speaker (Mr. Chartrand): Since the Hon. Member's time has expired, we shall resume debate with the Hon. Member for Hamilton West (Mr. Keyes).

[*English*]

Mr. Stan Keyes (Hamilton West): Mr. Speaker, I rise today on the motion proposed by the Leader of Her Majesty's Loyal Opposition, which states the total lack of confidence in how the Conservative government is managing our economy.

We are already witnessing the piece-by-piece dismantling of the social safety net. This is a net built with care and concern over decades, yet it is being destroyed in just a period of months. Canadians have long believed in government responsibility to provide systems of health and welfare benefits. We have believed in the right of every citizen to such benefits. We have understood well the Liberal concept that the disadvantaged should be able to free themselves from the excessive burdens of misfortune and should be provided every opportunity to pursue a decent standard of living including a higher education and health care.

What troubles Canadians today and what should concern all of us here in the House is that a new and more dangerous weapon against this right to an affordable, decent way of life, this cannon at the heads of families, is a tax that the government proposes to introduce on virtually every good and service.

The grimiest thing about this proposed tax is that it would amount to a tax on those in our society who are most in need of caring government support. The government boasts that lower and middle-income Canadians would receive tax credits to compensate them. However, the credits would not be indexed to inflation.

Just two weeks ago, I organized a town hall meeting in my riding of Hamilton West to give my constituents the opportunity to present their views and concerns on the GST. Of the 350 people who completely crammed the hall, not one person was in favour of this proposed tax. In fact, my constituents took it upon themselves to present me with over 120 petitions containing the signatures of over 5,000 people, and more are yet to come. The petition calls upon Parliament to reject the proposed goods and services tax.

I invited to this town hall meeting several groups representing various areas of interest in Hamilton. Not only did invited guests make presentations but several other showed up at the last minute to give evidence against this regressive inflationary tax measure. Each group gave presentations which lasted between five and ten minutes, and at the end of all the presentations, I invited questions from the floor.

I might add that the town hall meeting was moderated by Sue Patterson of the chartered accounting firm Peat Marwick Thorne. She was there with me at my side. She has over a decade of experience at Revenue Canada in excise taxation. Ms. Patterson provided accurate and unbiased answers to many questions which constituents had regarding the proposed tax.

The groups at the meeting included the Downtown Hamilton Business Improvement Area, the Hamilton Chamber of Commerce, the McMaster University Students Union, the Hamilton and District Funeral Services Association—yes, Mr. Speaker, this tax has you coming and going—Hamilton psychologists had their say, the Hamilton and District Homebuilders' Association, the Hamilton YWCA representing the volunteer sector and the United Senior Citizens of Ontario.

My solemn promise to my constituents and to those in attendance was to carry their message to this government here in the highest court in the land. At the time of the meeting, the Hamilton Chamber of Commerce advised us to watch the newspapers because the Canadian Chamber of Commerce was preparing to announce its position on the tax on the very next day. Well, it did and what people learned was that this large constituency, the Canadian Chamber of Commerce, is very concerned about the effects of the tax. In fact, in a press release dated September 21, 1989, the Canadian Chamber of Commerce said that it could not support the government's proposals unless a number of conditions were met. These included the harmonization of the federal-provincial tax base, a common means of collecting the tax by both provincial and federal governments, that the tax be revenue neutral and that it must be visible to consumers.

The Canadian Chamber of Commerce raises some important concerns. It suggests that any new tax must be brought in with co-operation between federal and provincial governments because, as the system is currently proposed, it is estimated that as many as 10,000 individuals would have to be hired to administer the tax.

The Chamber also demands that the tax be visible which the finance minister promised it would be in this very House back in June of 1987. However, the Minister of Finance has left it to the discretion of retailers to either put a sign in their window or a sticker on the till. Last, the Chamber insists that the tax be revenue neutral. Yet, as appears to be the case, the tax will be used to raise revenues for the Government of Canada.

The Minister of Finance proposes to replace an $18.5 billion tax with a $24 billion tax and, according to figures released by the Department of Finance, the GST will take a bigger bite out of poorer Canadians than rich ones. In the case of a couple with a single income of $15,000, the GST will consume 8.1 per cent of that income compared to a couple with an income of $75,000 of which the GST will only consume 4.8 per cent. These are Department of Finance statistics.

• (1620)

On behalf of over 10,000 students, the McMaster University Students Union gave a presentation at our town hall meeting. Students strongly opposed the GST. Their president, Stephen Longo, summed up the feelings of the students when he said: "It seems strange to us that at a time when education and skilled developed are said to be a priority of this government, that they are promoting a tax initiative that could reduce participation in our post-secondary institutions".

At a recent meeting of the Conservative Party of Canada right here in the capital, the Prime Minister's address underlined this glaring conflict between the GST and access to higher education. The Prime Minister said that higher education was a top priority for his government. He also said that in order to remain internationally competitive, our system must be the best. Hollow words, easily said, but hard to swallow in the face of the GST, because if implemented, the GST will do serious damage to students and education. If Canadians wish to enhance their education by taking upgrading courses, they will be taxed. What will this do to the idea of job retraining for people put out of work due to this regressive tax? Even student service fees will be taxed, increasing the cost of the mandatory fees.

Perhaps most hurt of the students will be the imposition of the GST on student textbooks, which as you know, Madam Speaker, are extremely expensive these days. As Mr. Longo told the meeting, this would mean a tax on the very vehicle of education, the printed page.

Beyond this, the tax will also hurt students because the GST will be placed on restaurant meals, because there is no rebate for student housing, because student transportation and telephone charges will be taxed. This is the government's commitment to education? The students say it expresses a lack of commitment to education.

The government has also made great promises in relation to affordable housing. The Hamilton and District Home Builders Association told our town hall meeting quite a different story. While the Minister of Finance says he will soften the blow somewhat through a proposed rebate system, the Home Builders Association says that housing will become less affordable under the GST. The association says that the new tax would add $3,000 to the cost of a new home, more than six times the cost estimated by the Minister of Finance. The association concedes that the added cost to a new home in Metro Toronto and region under the GST will be over $9,000. The Hamilton and District Home Builders Asso-

ciation also said that Canadians should expect their rents to go up significantly under the GST.

Not only will the price of a new home increase, but so too will the cost of renovations. Is the government so naive as to think that while the price of new homes increases, the price of older homes will not increase to keep pace with the market? To quote the Canadian Federation of Independent Business, the tax proposals are: "triumph of greed and politics over reason and sound planning". There you have, Madam Speaker, a message from the constituents of Hamilton West through their elected representative to this government. They say enough is enough.

Mr. Speller: Madam Speaker, I congratulate the hon. member for his very informative words here today. There was one subject that I kept hearing about back in my riding this past weekend. We had a county fair at which thousands and thousands of people lined up to sign a petition. This is something I think all hon. members would agree is one of their basic rights. A few people came up to me and mentioned the fact that they were not too sure of what this GST would do to disabled people and those less fortunate than us. I am wondering if the hon. member knows exactly what effect this will have on the disabled.

Mr. Keyes: Madam Speaker, I thank the hon. member for Haldimand—Norfolk for his questions. The disabled community in this great country had better brace itself for the onslaught of this proposed GST. It appears that personal attendant care will be taxable, except where the attendant is an employee receiving wages. Now this would not be affected by the GST but if the person is receiving a fee for his service which is, in this particular case, more common, it will be a taxable service.

Another example relates to adapted vehicles, such as vans. Vehicles bought to transport disabled persons are subject to the same 9 per cent tax as those bought to transport others. Now if a lift is bought such as those you see on the side of vans to aid people into the van, they are not charged the 9 per cent tax on that lift. Under the Ontario sales tax, the entire vehicle is exempt, but under this situation, it is not.

Mr. McDermid: Wrong.

Mr. Keyes: It is not, check the technical paper. Computers fall into a similar category. A disabled person buying a computer would have to pay the extra 9 per cent. Software would be free but the computer is taxed at 9 per cent.

By increasing the cost of computers and vans, this government is placing these items even further out of reach and thereby restricting the participation of disabled people in our society. Although renovations to make a home accessible would not be taxed, there will be a tax on the material used in the renovations. A business that wanted to renovate would be taxed on the contractor's services and this will also, of course, discourage people from making buildings accessible.

I stood here and listened to hon. members across the way speak of concerns. One member said that the Official Opposition was giving us these sorry and sad tales. Well, let us have a look at the suggestion of tax credits referred to by government members.

Since the credits and income thresholds are indexed only to increases in the CPI minus 3 per cent, fewer and fewer low-income Canadians will be protected. Let us make for a moment the not-so-unbelievable prediction that inflation is more than 3 per cent annually for each year after 1991. The $24,800 threshold at which families begin to lose the refundable sales tax credit will fall to $21,297 after five years, and to $18,288 after 10 years in constant 1991 dollars. This will mean that within five years, the over half a million low-income Canadians who will be eligible for the full refundable sales tax credit in 1991 will lose either part or all of this credit. After 10 years, over one million low-income Canadians who will be eligible for the full refundable sales tax credit in 1991 will have lost either all or part of this credit.

As more low-income Canadians lose the refundable sales tax credit over time, the value of these credits will also fall since the actual dollar value of the credits is only partially indexed to inflation increases in the CPI minus 3 per cent. Within five years the $275 adult credit will have fallen to $236 in constant 1991 dollars. In 10 years, this $275 credit will be worth $203 in constant 1991 dollars. Fewer low-income Canadians will be eligible for fewer and fewer credits over time, making the GST more and more regressive.

Mr. Garth Turner (Halton—Peel): Madam Speaker, it is a pleasure for me to participate in a debate on the economy, the management of the economy and the goods and services tax here in the House of Commons.

One of the reasons that I entered politics was that I think taxes are too high. I agree with many opposition members that a lot of middle-class people in this country feel quite burdened by taxation.

• (1630)

I guess what got me into politics was the desire to find some kind of alternative, some economic alternatives to simply the old methods which have ended up accumulating a massive amount of debt in this country at the same time as we have high taxes.

Taxes are not too high because the economy is being mismanaged, but rather because we have an intense debt situation which politicians have failed to address over the past few years, and it takes a lot of political guts to reverse old trends and to think about new ways of reforming the tax system in order to make it more equitable and more fair.

Political guts have been in short supply many times. A lot of politicians in this country have felt that they could stand here on the floor of the House of Commons and they could defer taxation, they could take taxation that should have been imposed today to pay for programs that we have now and just push it off into the future, cast it off into some nebulous and fuzzy generation that they would not bear ultimate responsibility for.

We have accumulated high debt which has resulted in high taxes. Right now we spend 35 cents of every tax dollar we collect just to pay the interest on the outstanding debt. Now that hamstrings this economy. It causes our government to have a very great problem. We have a balanced budget in terms of spending and revenue and yet we have this debt monkey on our back that is just siphoning off tax dollars. It has to change.

Our new debt equals $83 million a day. That is equivalent to roughly $1,000 a second. That is a new debt in this country that is being added on to the $350 billion that is already there. It is totally irresponsible to do that. I am sorry the hon. member who just spoke is leaving because he will benefit a lot from this.

Mr. Keyes: I have a phone call. I will be in the lobby.

Mr. Turner (Halton—Peel): We will see you in a few minutes. We need to address these problems. We need to have discussions with the opposition members on meaningful, constructive, alternative ways that we can reform the tax system to accomplish national goals, and surely the first national goal that needs to be accomplished is the economic survival of this country.

We are debating a resolution now that states that there has been economic mismanagement. Maybe the government has not done everything right, but the government has attempted sincerely to cope with problems that it did inherit, to cope with an economic environment that had extreme difficulties when the government did take office.

What I want to say, and if no other message gets through to the opposition I hope this one does, the *status quo* is not an option. We have to change. The GST is one example, it is one alternative, it is one attempt to put a new form of taxation, a more equitable form on the table for discussion. The kind of debate that we are having now is a healthy one. It is exactly the kind of debate, in many ways, I think we should have had during the last election campaign. I think we should have been talking then about the economic destiny of Canada and about these particular problems which we need to solve.

The GST, the goods and services tax, is a proposal that is on the table as a constructive attempt to achieve fairness in the tax system. It comes not standing on its own but it comes as part of a measure of practices and proposals that the government has before us. First and foremost, if we are to tackle our debt situation, we have to stop the growth in the new debt and that means addressing our budgetary deficit, our shortfall, our annual shortfall. This must be done and the government, as you know, through this proposal and through its budget has been attempting to do that, relentlessly trying to reduce government spending. At the same time it removed obstacles to economic growth. This as well is a very important part of GST, removing obstacles to increased growth.

A third element that the government has had in mind in designing the GST has been to protect those people at the lower end of the income scale. I know the argument is made that sales taxes are regressive because they hurt

those people who spend the greatest percentage of their money on surviving. There is validity to that argument, there is substance to it, and we must care about those people.

I submit to you that the finance minister has been attempting sincerely to cope with the regressivity of sales tax reform.

The Minister of Finance has been looking at an enriched tax credit for low-income people. If anything, a lot of critics are saying that it is perhaps too rich at almost $2.5 billion a year, a series of cheques being sent to millions of low-income families which would put money in their pocket before they go out and buy something. It will more than offset the effects of GST and we will have lower-income families in this country better off as a result of the reform.

I would like to say a couple of words about the effects of GST on small business. This is an area that has caused some of us concern. We have heard an awful lot of fearmongering, a lot of myths that have been perpetrated by those in the small business community who must have their own political agenda because what they are saying to the Canadian people is simply a gross distortion of the truth. The truth about GST and small business is that the government has been extremely concerned about not increasing the paperwork for individual businesses but to make sure that individual business operators in this country are given the greatest opportunity to concentrate on doing business and not pushing papers around.

We are going to have a streamlined accounting form for the goods and services tax for small businesses, a one-page form, one page which business people will be able to fill out in a relatively short period of time. It will be based on the difference between the tax collected on sales and the tax paid on inventories; simple, streamlined accounting procedure. The government will show by that one page form how sympathetic it has been to the concerns of small business people. Vast numbers of businesses will have the ability to do a very, very simple calculation.

In the case where there are refunds from the government, those refunds will be prompt. There will be interest paid on those refunds which are outstanding over 21 days. There will also be, for the vast number of businesses, a positive cash flow situation as they are able to go out and collect the GST on sales and remit it quarterly. So there will be an advance cash flow situation.

The most crucial element though is that businesses do not pay the GST, consumers pay it. It is a pure tax on consumption. It is a change in the way that we look at taxation in this country. It is a tax on spending, not on income. This brings me back to my first remarks.

Middle class people feel quite put upon in terms of the income tax system. They feel that they are taxed without an alternative, taxed without a way to decide how they are going to pay that money to the government. With a tax on consumption, a tax on spending, we give consumers a choice.

Let us not forget that when the GST comes into effect there is going to be a $700 million income tax reduction for middle-class people, a reduction in income taxes. People will have more money in their pockets, in their pay cheques, in their pay packets, after GST comes into effect. That means they have the choice of how to be taxed.

A tax on spending hits the big spenders, not the savers, not the hard workers. It hits the people who spend the most. Those who spend money on the big houses and the big cars and the large restaurant meals are the ones who inevitably pay more tax. It is without loopholes for the rich. It is fair and even across the board. If we shelter low-income earners and if we tax those who spend more, then we have an improvement in the system. By reducing income taxes and by imposing a spending tax, we put the choice for taxation into the hands of those people who spend.

Back to business for a moment. Because businesses do not pay the tax and consumers pay the tax, we have a situation which is far preferable to the one we have now. Now we have a manufacturers' sales tax that is buried deep in the price of products and services that businesses purchase. It raises the cost of their doing business. It makes them less competitive. It makes our exports less competitive on the world market.

• (1640)

The elimination of an old $17 billion bad, buried, invisible tax and a replacement of that with a visible tax that takes tremendous political will and courage to implement can only help this economy in the long run, and I know that the opposition parties who have given us no viable alternative will have to end up supporting it.

Mr. Duhamel Madam Speaker, I would like to commend my hon. colleague for having made a sincere attempt to explain his government's initiative. There is a certain gentleness there which I think has probably been absorbed by virtue of the fact that he is sitting on this

side of the House and close to colleagues from another party.

My question is as follows. You will recall perhaps that two of your colleagues have indicted that this is a fair tax. I would ask you whether or not you have heard any student, any senior, any single parent, mother or father, any of the 3.5 million to 5 million poor in this country, any of the handicapped, any of the VIA Rail employees, any of the unemployed, anyone from the construction trades, tourism industry, or the foods industry, or farmers say that this was a fair tax. I guess what I am really trying to find out is whether or not you agree with your colleague's comments that on the record this is a fair tax to these groups.

Mr. Turner (Halton—Peel): In answer to the hon. member's question, I have to say yes. I have heard people on both sides of the argument, on both sides of the debate, those who support the tax and those who do not support it. In my own riding, I might mention, I had seven public meetings. The hon. member beside me alluded to his meeting earlier. I had seven in my riding, two meetings specifically on the GST. We solicited briefs from all groups, not just business but social groups and so on, and all that response was then forwarded to the government in terms of a representation of what the people in my riding think.

I can tell the hon. member that I heard the debate on both sides. I did hear it from single parents and I have heard it from seniors. I have heard it from a lot of people who have said they are sickened that our country is so indebted, and are sickened that governments, not just this government, not just the past Liberal government—let's get rid of that stuff—but governments for the past two decades have found a real inability to wrestle with these social problems.

We have demands put on by taxpayers for social programs, we have the response by politicians who wish to give the taxpayers what they want, but they do not wish to impose a burden on those taxpayers for the costs of those programs. As I mentioned, we pushed the problem into the future. The future is now here, the future is upon us, our time-frame is running out. The debate goes on and with every second of the debate we are another thousand bucks in the hole. We have to end it at some point and take action. What I am saying is we have a proposal on the table now that will accomplish real action. Will some people be hurt? Yes. Will some people benefit? Yes. Is it fair? Absolutely, it is fair.

Mr. Keyes: Madam Speaker, far be it from me to stand and interrupt the hon. member for Halton Peel on a point of order to point out that we do not point out to this House when hon. members come and go, but he is a new member and maybe hasn't read the book. I will explain to him that I had to leave because of an important call from the constituency and I then returned to my seat.

The hon. member and one-time fellow journalist and I have discussed this issue in the past, and that issue is that we are dealing with a tax, a proposed tax—unlike the newspaper articles that say it is practically a *fait accompli*—a proposed tax of 9 per cent replacing the 13.5 per cent manufacturers' retail sales tax.

Now, replacing the one with the other leaves a gap between the 9 per cent and 13.5 per cent. Does the hon. member have a suggestion for the House and for Canadians on just how to ensure, or can we ensure, that the savings between the 9 per cent and 13.5 per cent is passed on to all Canadians, or do we just leave it to the discretion of the manufacturers to take that difference and pass it on?

Mr. Turner (Halton Peel)): My colleague raises a very valid point and I must say that many of my constituents share his concern. Allow me to answer you as I answer my constituents.

There are basically two thrusts that we have to consider here. One is that we have an extremely competitive economy and none of us here would diminish the importance of competitive pressures; certainly, for example, in the price of an automobile, which is expected to fall. After the implementation of the GST and the removal of the sales tax that currently exists, there should be a price reduction for consumers.

I can guarantee with the extremely competitive automobile industry, for example, that that will in fact be passed along. Should it not be, should business people in this country decide not to play ball with the government, should they decide in a moment of weakness to take advantage of a change in a tax system to take money from the people of Canada, should that happen, then there is a mechanism being set up to safeguard against that because an agency within the Consumer and Corporate Affairs Department will be monitoring price

changes. It will be investigating complaints and it will be reporting to this Parliament.

Mr. Jack Iyerak Anawak (Nunatsiaq): Madam Speaker, I am pleased to have an opportunity to speak on this important motion put forward by the Leader of the Official Opposition. I will use my time to express to the House and to Canadians who may be watching the strong objections of the people of the north to the government's proposed 9 per cent goods and services tax or GST.

Shortly after the Minister of Finance released his technical paper on the 9 per cent tax in August, the Leader of the Official Opposition, along with 70 members of our caucus, came north to my constituency in the Northwest Territories for a special caucus. This was the first time that any federal political party has held a caucus in the north. I am proud this happened in the Northwest Territories in Nunatsiaq, in my constituency, and I appreciate the tremendous support and interest of my colleagues.

Throughout our meetings and discussions with organizations and individuals, the topic of the new 9 per cent tax was raised. Northerners are deeply concerned because this tax is going to very severely affect northern residents. Across the north opposition to the government's proposal is widespread. The Yukon is opposed, the Northwest Territories is opposed.

I would like to share with the House the following comment from a well-known Yukoner:

> (We are) opposed to the federal government's new goods and services tax because it will only add to our already high cost of living, which currently is one of the highest in Canada. The Yukon economy is based predominantly on the provision of goods and services that are being targeted by this new tax. Our two major industries of mining and tourism will be hit as a result. Consequently, the goods and services tax will have more of an impact here than in southern Canada. This isn't fair. We shouldn't be penalized and have to pay more than southern Canadians just because we choose to live north of 60.

The House may be interested to know that the quotation I have just read is not a comment from the hon. member for Yukon, nor even the government leader of the Yukon. That comment was made by the leader of the Progressive Conservative caucus in the Yukon.

The Northwest Territories finance minister believes the new 9 per cent GST will have a particularly devastating effect on the north. Compounding the precarious economic future of the Northwest Territories is the fact that the federal government is threatening to substantially reduce its transfer payments to the NWT government. The NWT finance minister has said and I quote:

> It is a fragile, evolving economy up here, and it's just been dealt a double body-blow. The first is the goods and services tax, the other is (potential cuts to) the formula financing agreement that defines how the federal government pays our grants to us. I can't talk about one without the other, because the timing of the double body-blow is very serious.

If I may add a third body-blow, it is the government's proposed changes to the unemployment insurance system. These changes are going to seriously affect northern workers because of our high levels of seasonal employment.

We in the north are wondering why the federal government wants to reduce the deficit on northern backs. Northern residents live and work in the harshest climate of this country. By living in the north we contribute to Canadian sovereignty in the Arctic. We also have the highest cost of living, the greatest unemployment level and the highest suicide rates in Canada. The 9 per cent GST is an additional hardship we do not need imposed on us.

• (1650)

The Northwest Territories is one-third of Canada's land mass. We have 62 communities spread across three time zones. Only six of these communities have continuous year-round road transportation. Thirty-six communities depend entirely on air and marine links, all of the communities in my constituency of Nunatsiaq.

In my constituency in the central and eastern Arctic there are no highways. All our goods are shipped in by air or sea and we pay high freight rates on these goods. The freight and transportation costs increase the prices of goods in the stores. In Pangnirtung, eggs cost $3.81 a dozen, a loaf of bread costs $3.27, a five-pound bag of potatoes cost $9.49. In Coral Harbour, one pound of butter costs $3.79. A bag of 32 diapers costs $19.60. In Cambridge Bay, two litres of milk cost $5.35.

At its annual general meeting last April, the Northwest Territories Association of Municipalities unanimously passed a resolution concerning the proposed new tax, urging the government to give special consideration to the needs of northern Canadians who already bear the burden of this country's highest cost of living. The association has pointed out that due to higher northern costs, northerners will pay more of this tax per capita than southern Canadians.

The residents of the Keewatin region face living costs that are between 50 per cent and 70 per cent higher than those of the residents in their supply base of Winnipeg. Kitikmeot residents face even higher costs ranging from 70 per cent more than Edmonton prices for Cambridge Bay residents to a high of 139 per cent for residents of Pelly Bay. While I do not have the cost of living figures for the Baffin region, I do know that the residents of Iqaluit pay 31 per cent more for food than residents of Yellowknife and the Yellowknife food price index is approximately 35 per cent higher than that of Edmonton. Spence Bay has a food price index 96 per cent higher than that of Yellowknife.

Northerners already bear a large tax burden because of the extremely high cost of living in the north. Incomes are higher but are taxed by the federal government at the same rate as if they were earned in southern Canada. Northerners pay more in federal fuel taxes because the climate demands we have to use more fuel. Northerners pay more in federal telecommunication tax because we have to phone long distance more often. The slowness and unreliability of postal service in the north means we use facsimile machines and telephones more extensively.

Because of our higher costs, the dollar value of the tax paid in the north will be much higher than the tax on the same item in the south. The federal government estimates that families earning less than $30,000 will be better off. Questionable as that is, by the government's own admission, the reverse is that families earning over $30,000 will be worse off. Thirty–thousand dollars may be a comfortable income in southern Canada but it is not as high in real terms in the north.

With excise taxes on gasoline and diesel fuel, the air transportation tax and the goods and services tax, transportation will be taxed at a higher effective rate than other goods and services. This higher taxation will have a disproportionate impact on the northern territories and other isolated communities in Canada.

The costs to small business to administer this tax will be high. A $600 administration fee the government will pay to these businesses is not going to cover the additional costs. With respect to food, while the technical paper says basic groceries will not be taxed, the government appears to be wavering on this now. I urge the government not to tax groceries, especially in light of the high prices northerners now pay for their basic groceries.

Northerners are also concerned about the effects of the 9 per cent on new housing. There is a tremendous housing shortage in my constituency and housing is extremely expensive and hard to obtain.

The president of the Canadian Home Builders Association has predicted that rents will go up significantly and has said that the price of new homes will go up by three times what the finance department claims. In the north, the tax on transportation will drive up the cost of materials and already high prices mean fewer buyers will be eligible for rebates compared to the south.

The government will also apply the 9 per cent GST to all goods and services supplied by Canada Post. We resent having to pay tax on post services which already are inadequate. These are some of the more serious concerns.

While finally the committee on finance examining the tax proposal went to Whitehorse, Yukon, it has not visited the Northwest Territories. This is shameful and I urge the committee to include the Northwest Territories in its travel schedule.

The north cannot absorb this 9 per cent increase. The government must go back to the drawing board. The proposed 9 per cent GST is a nightmare for northern businesses and northern consumers. It will hurt our economy. Tourism, which is a growing part of our northern economy, will suffer with the imposition of this tax.

Mr. Flis: Madam Speaker, I was very impressed and was listening very attentively to what the Member for Nunatsiaq had to say because this summer I had the opportunity of visiting Iqaluit and another area, Pangnirtung, near there. You and I, Madam Speaker, could probably not survive there even on our salaries. I was

shocked at the price of staples such as milk, bread and potatoes.

To give an example, there was some fruit on the shelf. One banana was going for $1. One pear was going for $1. I was very pleased that the Member for Nunatsiaq stood up in this House and told the government, on behalf of the constituents he represents, to scrap this GST, not to exempt foods going up north, but to scrap it. I think that is the message that we on this side of the House would like to give the government.

For God's sake, scrap this GST and go back to the drawing board because it is creating nightmares not only in the Arctic but all over Canada.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Madam Speaker, I appreciate the opportunity to speak for a few minutes on this opposition motion.

This opposition motion is a litany of the kind of effort that this government has made over the last few years to deal with the problems of the country. It indicates the kind of effort not only that has not been made but that needs to be made to put the country in a condition so it will survive.

I am particularly interested today in putting on the record a few words about rural Canada. Most of us do not realize this, but over 90 per cent of Canada is rural. Even on the most modest basis, more than a quarter, something around 35 per cent depending on how you define it, of the people of Canada are rural Canadians.

It is rural Canadians who will be most affected by the policies of this government and by the GST, the goods and services tax which this government is proposing to put on the goods and services bought by the people of Canada. There are three basic primary industries that are all rural industries. One is farming which, to many people, is the basis of rural Canada. But it is much more than that.

• (1700)

Many of the fishing communities of Canada are rural communities, and can be considered as rural communities. Much of the forest industry of this country is rural industry.

So we have the three major industries of this country related to the rural population of this country. Although we have had a tremendous amount of talk about how well these industries are going to be treated and how well they are going to be taken care of, these three industries have been the butt of the main attack of this government over the last four years.

I point to these three industries because all three of these industries are in a crisis position. In many parts of the country these industries are worried about survival. They have already, in many cases, given up the idea of survival under the kind of circumstance being produced for the last good many years. They have already adapted to a variety of changes which have made their lives less productive and their quality of life less good than it was before. A good portion of this can be laid at the policies which the government has put before us in the last few years.

If you live outside of Canada's main cities you are dependent upon a distribution and a transportation system that is necessary for you to survive. Up until the last few years our transportation and communications systems were policies of this country. The provision of transportation to rural and remote areas was a policy which the government accepted as a responsibility. It has turned away from that policy. In the process of dealing with transportation the government has made the cost of transportation so high that in many places it is not available. Or, in some cases, by deregulation the government has made it an industry which is dependent entirely on the market system.

If you are living in a remote area, the transportation system is the basis of your survival. If you attack that transportation system by removing it or making too expensive, you put it out of reach of those people and you reduce the income and the quality of life in those rural areas. That is true of farmers, of fishermen and of foresters. They are all affected by this government's policy on transportation.

I was very pleased to hear the member from the Northwest Territories speak on matter. The goods and services tax—in fact, all taxes in this country—have a detrimental effect upon rural and remote areas. If you bought a stove that cost you $200 from the manufacturer, you paid 12 per cent or 13 per cent, maybe $27 in tax on that. That was $27 added to the $200. For that stove sold in Stony Rapids in northern Saskatchewan or in Yellowknife, you would be paying $600—$600 for the transportation, the distribution and the mark-up for that stove.

Suddenly, that stove has a tax of $54. Before you paid $20; now you are paying $54.

The increase in tax is more than double. That tax is not on the product; it is on the transportation and the distribution costs of that particular product. The further you are away from the source of the manufacture of that product the more you are going to pay in tax on that product. This is true of every product that you can think of.

We have a good example that is already in place. This government put a 10 per cent tax on communications, on telephone calls. In my community every call that my neighbours make is a long distance call. If they want to call their doctor, or their school, the machinery agency or their dentist, they have to call long distance. Every one of those calls is taxed at 10 per cent. If you live in the city none of those calls are long distance. So you have put a 10 per cent tax on rural areas with that communications tax. We are now perpetrating a tax that we have already tried out. We already know it is wrong because we put it on communications. Yet we are proposing to put it on every other item making it that much more difficult for people to live in remote and rural areas.

I started out by talking about three basic primary industries. I have been talking about two policies of this government, the transportation policy and the goods and services tax policy that affect, detrimentally, directly upon rural and remote areas. But there are other things, other policies of this government to be considered. This particular opposition day motion points to many of those.

For instance, let us take the agricultural industry. This government has a policy of free trade. It has in the last year allowed into Canada an increase in products that are agricultural. I know the government will tell you that they are processed products. But they are agricultural products because they were made from agricultural products here in Canada. They are now made from agricultural products in the United States. They allowed them into Canada by refusing to protect them under the marketing boards that are already established. In fact, the agricultural industry right across Canada is feeling very insecure as far as marketing boards are concerned because the agricultural policies of this government have undermined the basic structure of that.

To conclude, this government has attacked the primary industries of rural and remote areas because it is planning to put in place a tax on goods and services. They have attacked it because they have put a tax on communications. They have attacked it because they are eliminating transportation—or making it so costly that you cannot afford it. They are even putting a tax on energy. Because we live where we do, it costs us more to travel. It costs us more, therefore, we are going to pay more. We abhor not only the goods and services tax but all of the attacks that this government has made on rural and remote areas.

Mr. J.W. Bud Bird (Fredericton—York Sunbury): Madam Speaker, I have read the motion of the Hon. Leader of the Opposition made on Thursday last. I must say that this motion could not be more the pinnacle of irony or, perhaps, even of hypocrisy at a time when the Canadian economy is performing as productively as never before in virtually every region of the country, following more than almost two decades of a Liberal government in which economic misdirection seemed to be the norm. Deficits reached proportions of $38 billion. The national debt became entrenched and grew almost like a vicious national cancer. It ultimately resulted in the worst recession in this country since the Second World War.

• (1710)

By comparison, we find ourselves today at the very heart of a comprehensive, integrated and committed Conservative government strategy toward economic responsibility and integrity which I believe will ultimately unshackle Canada from the insidious financial consequences which we inherited from the Liberal regime of the 1970s and the early 1980s.

I believe that the course which the Conservative Government is now on will lead us from deficits eventually to a balanced budget, and perhaps then eventually to surpluses. That is the only way to commence to pay down the debt which will irretrievably consume the economic potential of our future generations if we do not deal with it.

I would like this afternoon to speak briefly about two aspects of the hon. Leader of the Opposition's motion. One is with respect to regional development. The other is with respect to the goods and services tax on which there has already been a great deal of comment.

With respect to regional development, particularly in Atlantic Canada today, it is hard to talk about neglect and disparities when in fact this government is spending more money on regional development in Atlantic Canada today than has ever been spent before. That is the truth. The budget projections for 1989–90 estimate that we will touch one–half a billion dollars in regional development spending. That is the first year and the bulge year of a program that will average $425 million as projected in the space of the five–year budget plan. It compares to a regional development average of $285 million over the previous five years. It compares to an average of $185 million in regional development spending by the Liberal Government in the period 1979 to 1984.

The pinnacle, the bastion, of our regional development spending in Atlantic Canada right now is the Atlantic Canada Opportunities Agency which is a $1 billion shot in the arm for Atlantic Canada.

I would like to tell you, Madam Speaker, just what the state of the Atlantic economy is at this stage when the Leader of the Opposition has made a motion that is so far out of touch with reality. In New Brunswick, 39,000 jobs have been created since September of 1984. In comparison there was a net loss of 2,000 jobs by the Liberal Government between 1980 and 1984. The unemployment rate in New Brunswick today is down to 12.5 per cent from 16.3 per cent in September of 1984. Manufacturing shipments in June of 1989 were up 61.6 per cent compared to the same month in 1984.

In Nova Scotia, 35,000 jobs have been created since 1984. The unemployment rate has fallen by 3.7 percentage points, and was down to 10.1 per cent in August of 1989.

In Prince Edward Island, 5,000 jobs were created in that same five–year period. Manufacturing shipments in June of 1989 were up almost 22 per cent compared to the same month in 1984.

In Newfoundland, 29,000 jobs have been created since 1984. In contrast, 1,000 jobs were lost in the last five years of the Liberal administration in Newfoundland. The Newfoundland unemployment rate has fallen from 23.5 per cent in September of 1984 to 15.8 per cent in August of 1989. Manufacturing shipments in June of 1989 were up 15.8 per cent compared to the same month in 1984.

The Atlantic economy, while still not at the pace that we would like to see it and still not at the pace of central Canada, or perhaps even of western Canada, is certainly steaming along at a far greater pace than it ever experienced in the latter years of the Liberal administration, and is progressively improving all the time.

One of the saddest facts about life in the Atlantic provinces is the exodus of our young people. One of the great purposes of the Atlantic Canada Opportunities Agency is to provide the sustenance, the opportunity and the wherewithal to encourage our young people to contemplate staying in our region, taking the initiative, seizing the entrepreneurial spirit and becoming productive and sustaining of themselves in our region. ACOA has been quite successful in that respect. I would like to cite a few quick examples.

I would like to talk about the example of Terry and Judy Adair of the Kingston Peninsula in New Brunswick who had a dream to furnish a lodge and log cabin complex that would invite tourists to the Kingston Peninsula to enjoy the quality of life which they enjoy there. With the help of $95,000 from ACOA and an interest buy–down worth $36,000 they have been able to construct that project which will accommodate up to 20 guests at a time. By their third year the Adairs will be realizing revenues from that venture of $160,000 per year.

The Leveret family of Joseph Du Moine in Cape Breton with more than $75,000 worth of grants from Enterprise Cape Breton and the investment tax credits available have been able to expand and upgrade their abattoir business. They are now generating annual sales to co–ops and restaurants in the Cape Breton area of more than $350,000.

I would like to tell you about Vincent Court from Prince Edward Island who had tried farming. In the course of farming he decided that he would like to go on and become a furnace manufacturer, to find ways to heat farm buildings more efficiently and more economically. The result is the bio–blast woodchip furnace which he developed with the help of an ACOA grant and ACOA financing which he is now selling to greenhouses, farms, motels and sawmills in Nova Scotia, New Brunswick and New England. He cannot produce them fast enough. Gross revenues will soon be measured in the millions of dollars.

There are many other examples of such success stories. There is the Harmon family of Queenstown, New Brunswick and their family-operated custom cabinetmaking business. There is Gilbert Levesque of Grand Falls, New Brunswick and his profitable family-run bakery. There is Kathyrn Small of White Hills, Newfoundland and her dream to build a ski resort in her home province. All of these examples emphasize the success which ACOA has had in encouraging residents, citizens of Atlantic Canada, to stay at home, to not contemplate the exodus to central Canada which has become the norm and to build their futures and our future.

Atlantic Canada has demonstrated that its entrepreneurs can be world-class when given just half a chance. With people like the Sobbys, the Irvings, the Crosbies, the Cohens, the McCains and the Joudreys, to name a few, we have an example in Atlantic Canada of just what entrepreneurship can become. That is the direction and the thrust of the Atlantic Canada Opportunities Agency which the Leader of the Opposition has criticized so vigorously, so unfairly and so incorrectly.

I will not have time to speak on the goods and services tax to the extent to which I wished, but I would like to say this. It is a balanced and integrated program which will eliminate a regressive and damaging federal sales tax that should have been gone long ago. It will provide a new series of major tax credits to more than nine million families at the lower levels of the earning scale. It will reduce net taxation for every family of income of less than $30,000. It will shift the burden of taxation more fairly to those best able to pay. It will improve indexation benefits for any inflationary impact. Lastly, it will provide special rebates to ensure affordable housing all in one encompassing package.

In due course, when the provinces see fit to recognize the opportunity for creation of a single national sales tax, I predict that Canadians will accept the GST program as one of the most effective alternatives for a progressive consumption tax system so essential to the attainment of our country's financial stability.

Mr. Boudria: Madam Speaker, I listened with interest to the comments of our colleague, in particular when he said that this was a good tax because it would provide, as he referred to it, a single national sales tax. I want to know if he is aware of something that some of us are not. Have all the provinces joined in overnight or perhaps earlier today? If they have done so, I am surprised that the Minister of Finance would have not brought this fact to the attention of the House because it would have been, indeed, an achievement on his part that he would have probably wanted to raise in this House. It would have been interesting to see all the provincial finance ministers all of a sudden agree to this horrible tax. It would surprise us. I ask the member if that has happened as of late, or if it is just a wish of his for the provinces to go along with this grief and suffering tax.

• (1720)

I also want to ask him about something he said. I am paraphrasing here, I do not want to pretend to use his exact words. He said that this tax would make a fairer tax system. I believe he said something to that effect right at the end of his remarks. I want to know if he is aware that the government's own sales tax document which was provided to the committee indicates that a family of four—in other words a family of two adults and two children—with the combined two incomes of $45,000, one person making $27,000 and one person making $18,000, will pay—after this tax is in place $629 more in tax each year as a result of the grief and suffering tax. Is that the Tory definition of fairness?

Mr. Bird: I am happy that the hon. member has asked me those questions because it permits me to get to a part of my speech that I ran out of time to deliver. First of all, the hon. member did not hear me correctly. I said that when the provinces see fit to recognize the opportunity for creation of a single national sales tax, I predict Canadians will accept the GST program as the most effective alternative for a Progressive Conservative tax system.

The Minister of Finance consulted with the provinces for two years. The onus is on the provinces to join in this tax system. I want to tell you that if you had read in last Thursday's *Quorum* the article by W.A. Wilson, you would see he predicts that the provinces will have their feet to the fire when the citizens of Canada realize that the reason for two tiers of taxation is because the provinces failed to come to a consensus with the Minister of Finance. The Minister of Finance has no alternative but to proceed with the implementation of the federal financial strategy in this country. I respect him for the courage he has had in doing so. I would certainly express the wish and the hope—I think all of us would—of seeing a single integrated tax system. But the onus is now on the provinces to step up and to come forward with

proposals. I believe we have already had indications from the Minister of Finance that he will listen.

I would like to address the second part of the member's question in which paraphrased me. I will tell you exactly what I said. It was that this tax will shift the burden of taxation more fairly to those best able to pay.

We have talked about how business does not like this tax. We have talked about how the opposition does not like this tax. But there are nine million Canadians who are going to get cheques every quarter under this tax system who are going to like it very much. There are families making less than $30,000 who will have a net benefit from this tax, and they will like it very much. Not enough attention has been given to the benefits that they will receive.

A family of one wage earner with two children making $30,000 will have a net tax saving under this program of $214, contrary to the examples the hon. member so selectively picked.

Mr. Boudria: The one you selectively picked is better than the one I selectively picked.

Mr. Bird: The example I selected certainly makes my point a lot better than the one one you selected to make your point on.

The Acting Speaker (Mrs. Champagne): The time for questions and comments is over.

Mr. Jesse Flis (Parkdale—High Park): Madam Speaker, I would like to address my remarks to the first portion of the motion moved by the member for Vancouver Quadra that this House condemns the government for its mismanagement of the Canadian economy, including the threat to impose a new 9 per cent sales tax that is regressive, inequitable, invisible and inflationary.

As someone who has spent much of my working life in educating pupils between the ages of 6 and 19, as well as adults, I want to address the affect of the GST on learning because this proposed 9 per cent tax will be regressive on learning. It will be inequitable on learning, it will be invisible, and it will be inflationary on our education process.

There is no other country in the world, the western world especially, that has shown as much disrespect for education and for learning as this country has shown in the last five years. Education is an investment and the students of today are the leaders of tomorrow. This reality is not present in any action this government has taken in the last five years with respect to education. In our era, students realized that higher education meant more secure employment, a more secure future.

It is costing more and more for students to attend a post-secondary institution. According to the Canadian Federation of Students, the average cost per student now is around $10,000. With standard inflation this figure will rise at an incredible rate as this government indulges in its philosophy that only the rich should go to universities and colleges, and the poor should go to work. Otherwise, why would this government, in this new proposed tax, deliberately exclude students from receiving additional refundable tax credits above and beyond the general credit that it is making available to low income singles?

On page 15 of the technical paper we see that starting at the minimum level of $6,175, the additional credit will be paid at the rate of 2 per cent of net income up to the maximum of $140. I understand that finance officials have privately conceded that the minimum was set at $6,000 to specifically exclude students from receiving this additional credit.

Our students will not be eligible for the additional credit even though they will be paying the additional 9 per cent on all their textbooks. They will be paying the additional 9 per cent on their writing paper, their binders, their pens, their pencils, student activity fees, their tutorial fees, their rents, their courses and on their typewriters and word processors.

I understand that some members might wonder if a student can afford a word processor, the student should be able to afford 9 per cent sales tax. There are many gifted and bright students, but because of a learning disability require the assistance of a computer, a word processor, so that they can write their essays neatly and these students who were failing before are now going on to universities. These students, under this proposed 9 per cent sales tax, may not be able to go on to post-secondary education.

Tories laugh but they have no idea of what is happening in education today.

As legislators we should be aware to some degree of what it is like to be a university student or college student. There is not much time to cook for yourself, just like the MPs, so you tend to eat out. But it is not in fancy restaurants like MPs because you can't afford it. They eat in fast food restaurants.

With the proposed 9 per cent on prepared foods and foods eaten in restaurants students will essentially be paying the 9 per cent tax on most of the food they consume.

Many people would argue that education is a privilege, not a right. The interesting thing about that argument is that is supported mostly by those people who have never had to work too hard for what they have got.

I do not agree with this particular philosophy, I believe very strongly that in this country education is a right. It is a right because people are our most important resource. Anybody who does not realize that should go back to school because they couldn't have learned anything when they were there in the first place. The future of our country depends on how much and how well we educate our young people.

This tax will hit each and every pupil as he or she goes through one of our educational levels, right from junior kindergarten on to university. There will be less money to maintain and improve the learning environment as the various school boards use up more money to administer—and I stress, to administer—the tax when applying for their rebates: rebates for general maintenance services such as cleaning, painting; rebates for desks, chairs, books, pencils, right up to the supply of milk for the younger children.

• (1730)

This government does not realize that there are school boards that must provide breakfast for students before they can be taught. The hon. member for Brampton does not realize that. Maybe in Brampton they do not have to provide breakfast. But in the inner cities of Toronto, the Toronto Board of Education has to provide breakfast for children coming to school. Before they can learn they must have a good breakfast.

There will be less money available to the municipalities to provide day care and community centres as they in turn apply for their rebates for their own services. From day one, when the child goes to school, his or her parents will have less money to buy books that cost more; less money to buy clothes that cost more; less money to provide tutoring that costs more, but may be necessary; less money to take the kids to the zoo, to the museum, to the art gallery. These things are not a luxury. Educational excursions are not a luxury. Books are not a luxury. In a country where our illiteracy rate exceeds 26 per cent, we cannot afford to make books inaccessible to people in general, let alone our children.

This government has acted in contempt of every single person and every single institution in this country. It has acted in contempt of the seniors citizens of this country. It has acted in contempt of the poor people of this country and less fortunate regions of this country. It has acted in contempt of Parliament on more than one occasion. Now it is acting in contempt of the future of this country, our children and their right to a better life and a better world.

The students of this country are not deceived. They cannot be deceived. What does the Prime Minister think that our students would make out of his statement just a few weeks ago when he said at their national convention that education was a priority in the next four years of his government. What does he think they made of that statement? Does he really have so little respect for the intelligence of the audience? I suppose his direct audience was the Progressive Conservative Party at the time. Does he have so little respect for the intelligence of our students that he thinks they believe him?

He really does think that the people of Canada are going to believe him when he says that we will all be better off with this new tax. However, if he really thinks that, he should make a personal note of all the petitions that are coming in from right across Canada and tabled in this House daily. He should make a personal note of all the protests that are being organized across this country.

The Prime Minister does not have any choice if he wants to win the next election. Although his credibility is shot, he had better scrap the tax and go back to the drawing board. There should be no discussion in this House or outside this chamber whether to include all foods, whether to reduce the 9 per cent to 6 per cent. The bottom line is that the GST must be scrapped.

Mr. Turner (Halton—Peel): I am interested in a couple of points raised in the hon. member's comments.

First, he talked about the students of today being the leaders of tomorrow. I hope the hon. member also realizes that the students of today are the taxpayers of tomorrow who will have to deal with the issue of deferred taxation which is mounting daily. I wonder how the member proposes to give us constructive alternatives to the GST and the government's tax reforms.

Second, I wonder if the hon. member recognizes that the government proposes to bring in a system of tax credits which will, of course, help students. Do you have any evidence that students will be excluded from the $140 single person tax credit? Do you have any evidence of that? If so, could you table it for us.

Mr. Flis: It is very clear that the member did not listen to a word that I said. He asked whether the students of today will be the taxpayers of tomorrow. Yes, they will be. That is why we have to provide the best education possible to these students, so that they will be in higher income brackets and will be able to afford to pay the taxes. If we do not have that, we will have a tax revolt in this country and no one will want to pay taxes.

May I quote to the hon. member from his minister's document, the technical paper, on page 89. This is how the government hides things. They talk about what is being exempt, and then they say that hence, as a general rule instruction and training in sports, recreational or cultural activities such as dancing, skating, cooking, sailing or swimming will be taxable.

Private ballet lessons, is this not an investment in our country? Could this not lead to a very profitable vocation for that person? That person will be taxed and may have to drop private ballet lessons. Students may have to drop private music lessons. Yet that could be their vocation. It could be their occupation.

What about the students who will not be able to go on to university because of the 9 per cent tax? Whereas if they finish university, they could be in the hon. member's category earning $60,000 or more instead of earning $20,000 and not being able to afford this tax. I am glad the hon. member posed this question. Let us educate our young people so that they can afford to pay those terrible taxes put on by this Tory party.

Mr. Milliken: Madam Speaker, I listened with interest to the hon. member's excellent speech and I am sorry that the hon. member who asked the last question did not. He might have understood the problem. I wonder whether I could ask my hon. friend from Parkdale—High Park a question concerning the fairness of the imposition of this tax.

The government has said that this is all necessary and that it is part of their budget cutting process. This is stage two of tax reform. Stage one was introduced before the election. That was lowering the income tax. The details of this tax have only just been released.

In his area of Toronto, is it his view that if the details of this tax had been released before the election that the present government would have been elected, or is it safe to assume that if these details had been made public some time before November, 1988, we would have seen the defeat of the present government? In fact, we might not be enduring these taxes at this time.

Mr. Flis: I think the answer is self-evident. If the Conservative party was honest during the election they would be sitting on this side and not where they are today. They deceived the public, and it is all coming out now, on VIA Rail cuts, on promising not to increase taxes and now on the 9 per cent. They deceived the public on universality. They will not touch pensions and so on. Now they are clawing everything back.

Here is a party that got in by default and by deceit. They will not be there long. Come 1992 they will be on this side of the House.

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Madam Speaker, I could not sit here all day without getting into the debate because I have sat and listened to the opposition *ad nauseam* today. Although I was not here last Thursday, I read the record from *Hansard*.

It is very obvious that what this government has to do first and foremost is to take the opposition on a training program so that they can understand how the goods and services tax works and how it will benefit this country. The examples that were given this afternoon by the members opposite were totally false.

I find it rather amusing that the Leader of Her Majesty's Loyal Opposition, the man who goes around this country bragging that he was the last one to have a balanced budget in this country was also the individual who raised government spending some 27 per cent in one year and started deficit financing. He does not talk about that. Yet, he comes in here and has the nerve to bring in a motion that states:

> That this House condemns the Government for its mismanagement of the Canadian economy,—

History has shown that he was probably one of the worst managers of the economy in this country. That is absolutely true. We today in this country can thank him because he fathered deficit financing. He fathered the deficit that we are experiencing today and the Liberals thought that was pretty good, and we keep on borrowing, and keep on borrowing, and keep on spending and adding to the debt by some 24 per cent a year.

• (1740)

We have a tax system in this country that needed revision and a man with foresight and with guts, our finance minister, in November 1984 made it very clear to the Canadian public that this government was going to grab this terrible tax system that had been established over the years and reform it to the betterment of this country. He has done just that. I will put his record in finance up against any finance minister this country has ever had, especially the Chrétien, Lalonde, MacEachen and Turner that we have had over the last number of years. I will put his record against any of them any day.

This new tax is replacing a very outdated manufacturers' sales tax, absolutely outdated, and all three parties agree on that. All three parties unanimously have said in the House that it has got to go, that it penalizes the economy of this country, absolutely. It has been stated in the House by the finance Committee. There is no question about that.

The Liberals flirted with it back in the early 1960s. Back in the 1950s they even suggested perhaps they should do something about this tax. But this is the first government that has had the guts to tackle this major problem that Canadians have with the manufacturers' sales tax. This could destroy our exporting, and we are an exporting nation. We export 35 per cent approximately of what we produce.

If we cannot maintain competition with the nations that buy our goods and services, then we will be out of the market-place. Number one, the manufacturers' sales tax places us at a great disadvantage in exports. Number two, the goods and services tax makes imports less expensive than a comparable product made here in Canada. That puts our producers very much at a disadvantage because they are taxed entirely differently. Third, we are the only country in the world that has a manufacturers' sales tax.

We are late in doing this. This should have been done years ago. Forty-eight other countries have a goods and services tax, the countries that we compete with, and their businesses and their services have no input tax costs and sales tax. Ours do.

The examples that were given today by the members about trying to compare the manufacturers' sales tax with a goods and services tax I must say were totally wrong, totally misleading—I will not say deliberately so because I just do not think they understand. I just do not think they understand.

The goods and services tax is going to make our economy more competitive, both in our export markets and at home. That is very important. Any economist looking at this will tell you that it means jobs. There is no question about an increase in jobs, an increase in productivity in this country, and it is going to help the gross national product of Canada. There is no question about that.

Look at the groups that are appearing before the committee. None of them are arguing that there should not be a GST. They are not arguing there should not be a GST. Well, some of them want it a little lower. Some of them want exemptions. They want to be exempted. They think that they should be exempted but everything else is fine. They think we should have a lower rate, but that is impossible. This government is on the right track. It is going to be implemented in 1991 and by 1992 the Canadian public will understand how good this is for Canada and this government will be re-elected for decades to come.

[*Translation*]

The Acting Speaker (Mrs. Champagne): It being 5.45 p.m., it is my duty pursuant to Standing Order 81(14) to interrupt the proceedings and put forthwith all questions necessary to dispose of the supply proceedings now before the House.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mrs. Champagne): Call in the Members.

The House divided on the motion (Mr. Turner) (Vancouver Quadra), which was negatived on the following division:

(*Division No. 59*)

YEAS

Members

Allmand
Anawak
Arseneault
Axworthy (Saskatoon—Clark's Crossing)
Bélair
Black
Boudria
Callbeck
Catterall
Comuzzi
Crawford
Duhamel
Fisher
Foster
Gaffney
Gray (Windsor West)
Guarnieri
Heap
Hovdebo
Jordan
Keyes
Langan (Mission—Coquitlam)
MacAulay
MacLellan
Milliken
Mitchell
Nault
Pagtakhan
Phinney
Prud'homme
Robichaud
Samson
Skelly (Comox—Alberni)
Stewart
Vanclief
Wappel
Young (Beaches—Woodbine)—73

Althouse
Angus
Assad
Axworthy (Winnipeg South Centre)
Bellemare
Blondin
Caccia
Campbell (South West Nova)
Clancy
Copps
Dingwall
Ferguson
Flis
Fulton
Gauthier
Grey (Beaver River)
Harb
Hopkins
Hunter
Kaplan
Kilger (Stormont—Dundas)
Lee
MacDonald (Dartmouth)
Mifflin
Mills
Murphy
Nunziata
Peterson
Proud
Rideout
Rocheleau
Simmons
Speller
Taylor
Volpe
Wood

NAYS

Members

Anderson
Atkinson
Belsher
Bertrand
Bjornson
Bosley
Bouchard (Lac-Saint-Jean)
Brightwell
Cardiff
Chadwick
Charest
Clark (Yellowhead)
Cole
Cooper
Corbett
Crosby (Halifax West)
DeBlois
Della Noce
Dick
Duplessis
Epp
Feltham
Fretz
Gibeau
Greene
Gustafson
Hockin
Holtmann
Horning
Hughes
James
Johnson
Kilgour (Edmonton Southeast)
Koury
Larrivée
Lewis
Loiselle
Malone
Martin (Lincoln)
Mayer
McDermid
McKnight
Merrithew
Monteith
Mulroney
Nowlan
O'Kurley
Plamondon
Porter
Reid
Ricard
Roy-Arcelin
Schneider
Shields
Stevenson
Tétreault
Tremblay (Rosemont)
Tremblay (Lotbinière)
Van de Walle
Venne
Vien
Weiner
White
Assiniboia)
Winegard

Andre
Beatty
Bernier
Bird
Blackburn (Jonquière)
Bouchard (Roberval)
Bourgault
Browes
Casey
Champagne (Champlain)
Chartrand
Clifford
Collins
Corbeil
Couture
Darling
de Cotret
Desjardins
Dobbie
Edwards
Fee
Ferland
Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)
Guilbault
Hawkes
Hogue
Horner
Hudon
Jacques
Jelinek
Kempling
Kindy
Langlois
Leblanc (Longueuil)
Littlechild
MacDonald (Rosedale)
Marin
Masse
Mazankowski
McDougall (St. Paul's)
McLean
Mitges
Moore
Nicholson
Oberle
Paproski
Plourde
Redway
Reimer
Robitaille
St-Julien
Scott (Victoria—Haliburton)
Siddon
Tardif
Thacker
Tremblay (Québec-Est)
Turner (Halton—Peel)
Vankoughnet
Vézina
Vincent
Wenman
Wilson (Swift Current—Maple Creek—
Wilson (Etobicoke Centre)
Worthy—129

The Acting Speaker (Mrs. Champagne): I declare the motion lost.

It being 6.15 p.m., this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 24(1).

The House adjourned at 6.15 p.m.

HOUSE OF COMMONS

Tuesday, October 3, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the government's response to two petitions, Nos. 342–0872 and 342–0873.

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

* * *

PETITIONS

VIA RAIL

Mr. Rod Murphy (Churchill): Mr. Speaker, I have the honour today to present three petitions signed by 194 constituents. They call upon the Parliament of Canada to maintain VIA Rail's present national network, to upgrade VIA Rail with new equipment and to give VIA Rail a sufficient budget to maintain its national mandate for passenger service.

These petitions are signed by the residents of Churchill, Weir River, Norway House, Wabowden, Thompson, Gillam, Sundance, York Landing, Snow Lake, Pikwitonei, and Pukatawagan. Many of these communities rely solely on an adequate VIA service.

Mr. Derek Blackburn (Brant): Mr. Speaker, I also rise under the provisions of Standing Order 36 to present a petition signed by several persons living in the Kitchener—Waterloo area. This is in addition to the many I tabled yesterday from people in my own riding of Brant.

They call upon the government not to reduce rail passenger service, but rather to maintain, improve and modernize VIA Rail service in those areas of the country where it can provide a more rapid, economical, safe, convenient, environmentally sound and energy-efficient alternative to other means of transportation.

PROPOSED GOODS AND SERVICES TAX

Hon. Warren Allmand (Notre–Dame–de–Grâce): Madam Speaker, I have a petition signed by a number of people from Windsor, Ontario, who strongly oppose the proposed goods and services tax. on the pockets of Canadians and will hit them not only with higher taxes, but with higher inflation, higher interest rates and higher unemployment. The petitioners ask this Parliament to reject this tax.

VIA RAIL

Ms. Margaret Mitchell (Vancouver East): Madam Speaker, I also rise to present a petition from a number of residents of Vancouver, Burnaby and New Westminster who are very concerned about the proposed cuts to VIA Rail which they consider to be essential for many Canadians and which has been a part of Canada for more than 100 years.

These cuts will result in a serious reduction in passenger railway service and threatens maintenance, safety and jobs and would eliminate a third of our national passenger railway system. The petitioners call on Parliament to maintain the existing VIA network, upgrade Via equipment and guarantee VIA sufficient support to carry out a mandate to provide passenger service.

[*Translation*]

PROPOSED GOODS AND SERVICES TAX

Mrs. Shirley Maheu (Saint–Laurent—Cartierville): Madam Speaker, I have the honour of presenting, on behalf of the *Club de l'Âge d'or* in Saint–Hyppolite, a petition which calls upon the Government to reject the new goods and services tax, in view of the negative impact the tax will have on low and middle–income Canadians.

[*English*]

I also have the honour, Madam Speaker, to present the same petition on behalf of our Lady of Fatima Seniors Club who again feel that the tax will cause serious and unfair hardship to low and middle-income Canadians. We humbly ask Parliament to reject the goods and services tax.

Mr. Cid Samson (Timmins—Chapleau): Madam Speaker, it is my pleasure once again today to stand pursuant to Standing Order 36 and present this petition on behalf of the residents of South Porcupine who humbly pray and call upon Parliament to ensure that there is no taxation on goods and services such as loans, the arts and other non-luxury items and to scrap the entire GST as it is proposed by the government.

• (1110)

NATIONAL ARTS CENTRE

Mrs. Sheila Finestone (Mount Royal): Madam Speaker, I rise under the provisions of Standing Order 36 to present a petition in the name of 600 Canadians who are concerned about the present negotiations at the National Arts Centre with its orchestra and who hope that parties will go back to the table and negotiate in good faith.

The petitioners pray that we consider the National Arts Centre orchestra an excellent, world-class one that has brought fame to Canada and its capital city. They ask, as a matter of priority, to ensure that the National Arts Centre maintain this orchestra at its current size and standard of excellence and ensure that sound cultural credentials be the main criterion for any new appointments to the National Arts Centre Board of Trustees. I deposit this petition with pleasure.

VIA RAIL

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, pursuant to Standing Order 36, I have the honour and privilege to present petitions signed by 132 Canadians in the communities of Thunder Bay, Ignace, Nanaimo, South Gillies, Kenora, and a number of other areas across the country.

The petitioners are all in support of the continuation of rail passenger service in this country. They point out that this government has refused to provide VIA with the necessary support to fully realize its potential to develop the kind of national passenger rail network that Canadians want and deserve.

I just want to say that although they were not there at the transport committee this morning, I know that they will be very pleased that we are going to hold public hearings into VIA Rail.

[*Translation*]

PROPOSED GOODS AND SERVICES TAX

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, I have two petitions. One is signed by a large number of residents in my riding, by constituents who humbly pray and call upon Parliament to reject the new goods and services tax because it does not meet the criteria set by this Government when it made its proposal for a new sales tax. It is a hidden tax, it is unfair and it applies across the board to goods and services. Your petitioners believe that the tax is not a good tax and that it should be rejected.

[*English*]

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Madam Speaker, I rise pursuant to Standing Order 36 to present the concern of 60 Canadians who have signed this petition, and it has been duly certified by the clerk.

They are concerned that this new tax will be hidden from Canadians and will be applied to virtually everything they buy. They are particularly concerned with the onerous burden it will cause on small business.

They humbly pray and call upon Parliament to reject the proposed goods and services tax.

VIA RAIL

Ms. Dawn Black (New Westminster—Burnaby): Madam Speaker, I rise also to present a petition pursuant to Standing Order 36. It is a petition calling on Parliament to maintain the existing VIA Rail network, to upgrade the VIA equipment, and to guarantee VIA sufficient support to carry out its mandate to provide passenger rail service across our country.

This petition is signed by people in the lower mainland, from Vancouver, New Westminster, Burnaby, Coquitlam, Delta and the Vancouver region.

DAIRY INDUSTRY

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, I am pleased to rise pursuant to Standing Order 36 to table a petition signed by 2,400 people in the great constituency of Glengarry—Prescott—Russell.

These citizens of Glengarry—Prescott—Russell are particularly displeased with the fact that the federal government, earlier this year, embarked on a plan to cap the price of industrial milk in Canada. I might add that the representations of the dairy farmers of my constituency and elsewhere have been so successful that the government has already backtracked on a good portion of that awful scheme that they had embarked on previously.

I am pleased to table this petition on behalf of my constituents and I totally support their petition as well.

VIA RAIL

Mr. Ron Fisher (Saskatoon—Dundurn): Madam Speaker, I stand pursuant to Standing Order 36 with a bona fide petition presented by people from the lower mainland as well, decrying what this government is doing to VIA passenger rail service in the country. They are asking the government to change its mind and provide the kind of service to Canadians that we need, with the kind of equipment we need, and with the modern kind of service that is certainly possible and needed within this country.

Ms. Lynn Hunter (Saanich—Gulf Islands): Madam Speaker, I rise pursuant to Standing Order 36 to present a petition signed by residents of Vancouver Island, from Victoria to Campbell River, who are very concerned with the elimination of VIA Rail passenger transportation, especially on Vancouver Island.

They point out in this petition that the Progressive Conservative Party of Canada said that the federal government has the responsibility to ensure that rail passenger service in Canada be retained, modernized and expanded. They are somewhat reassured now that there are going to be public hearings on rail transportation in Canada.

Mr. Robert D. Nault (Kenora—Rainy River): Madam Speaker, it is my honour and pleasure to present this petition under Standing Order 36. It is the same petition that a number of members have been submitting to this House. It relates to the dismantling of VIA Rail passenger service, the mode of transportation that really should be the transportation mode of the future.

I would like the members opposite to realize that we will continue to bring forward these petitions as there are many, many people who are now becoming aware that their rail passenger service will be taken away from them. We expect to see many more in the future.

[*Translation*]

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, I have the honour of presenting a petition signed by 88 voters from across Canada and especially from Kingston and the Islands.

[*English*]

The petition calls upon Parliament to avoid cuts in VIA Rail passenger service in Canada and reflects in its preamble the importance that VIA Rail passenger service has had to Canada, both to the tourist industry and to national unity, and calls upon Parliament to avoid any such cuts.

Mr. David D. Stupich (Nanaimo—Cowichan): Madam Speaker, it is my honour as well to present a petition from residents of the lower mainland of B.C., calling upon the government, as do many others, to maintain the passenger rail service on Vancouver Island and in Canada as a whole, and not only to maintain it but to provide the funding necessary to upgrade this service so that it will truly contribute to the passenger service in Canada. I urge the government to listen to these petitioners.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Madam Speaker, the following questions will be answered today: Nos. 111 and 112.

[*Text*]

COMMUNICATIONS POSTAL SUBSIDY PROGRAM

Question No. 111—**Mrs. Finestone:**

For the fiscal years (a) 1985-86 (b) 1986-87 (c) 1987-88 (d) 1988-89, was any money paid under the Department of Communications Postal Subsidy Program to the Canada Post Corporation for mail mailed by (i) government departments (ii) Crown Corporations (iii) provincial government departments (iv) provincial crown corporations (v) municipal governments and, if so, in each case, in what amount?

Mr. Benoît Tremblay (Parliamentary Secretary to Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Government departments and agencies at the federal, provincial and municipal levels are eligible to mail in the Publications Mail Program. However, no data is maintained to determine the proportion of the Communications Postal Subsidy Program which could be attributed to these users.

PUBLICATIONS MAIL INFRASTRUCTURE PROGRAM

Question No. 112—**Mrs. Finestone:**

For the fiscal years (a) 1985-86 (b) 1986-87 (c) 1987-88 (d) 1988-89, was any money paid under the Publications Mail Infrastructure Program to the Canada Post Corporation for mail mailed by (i) government departments (ii) Crown Corporations (iii) provincial government departments (iv) provincial crown corporations (v) municipal governments and, if so, in each case, in what amount?

Mr. Benoît Tremblay (Parliamentary Secretary to Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Government departments and agencies at the federal, provincial and municipal levels are eligible to mail in the Publications Mail Program. However, no data is available to determine the proportion of the Mail Infrastructure Program which could be attributed to these users.

[*English*]

Mr. Cooper: I ask that the remaining questions be allowed to stand.

The Acting Speaker (Mrs. Champagne): The questions as enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

MULTICULTURALISM AND CITIZENSHIP DEPARTMENT ACT

MEASURE TO ENACT

The House resumed from Wednesday, September 27, consideration of the motion of Mr. Mulroney that Bill C-18, an act to establish the Department of Multiculturalism and Citizenship and to amend certain Acts in relation there-to, be read the second time and referred to a legislative committee.

Mr. Gauthier: Madam Speaker, I simply want to raise a point of order regarding a situation that occasionally makes things difficult for hon. members, and in any case we have to deal with it.

Yesterday, the Government announced, and that is what we read in the *Projected Order of Business*, that Bill C-36 would be the first item for consideration by the House. However, it seems the Government changed its mind, so that item No. 2, in other words, Bill C-18, will be debated first.

I raised this point because some members are in committee, and when they have to sit in committee and in the House as well, it is my duty as the party Whip to inform them that the House of Commons has priority.

If these members are supposed to speak to a particular bill, agriculture or multiculturalism or whatever, it is my duty as the party Whip to call them to the House.

Madam Speaker, I find it rather difficult to orchestrate or organize all this when we are not given all the information on what will be done on a given day.

I agree that the *Projected Order of Business* is subject to change without notice. However, I think we should be able to schedule the business of the House so that Members can be where they should be at the appropriate time and there are no last minute changes in the order of business to confuse matters. Personally, I would ask the Government to be more consistent in its instructions to the Table and to give us one day's notice or at least let us know the night before, as is customary, instead of making changes just before the orders of the House are called.

• (1120)

[*English*]

Mr. Cooper: Madam Speaker, I take note of the concerns of the whip of the official opposition party. As the House is well aware, the government can choose anything from the Orders of the Day, in whichever order they choose to put them forward and we try, as always, to co-operate.

One of the reasons we are faced with this dilemma this morning, or why we have the change in order, is because of conversations that were going on between the three parties. They did not wrap up in time for us to give the proper notice to the table in terms of the order for today. So we regret any inconvenience it has caused the opposition. They can be assured of our continued and ongoing and habitual co-operation which we are more than delighted to give on every and any occasion.

[*Translation*]

The Acting Speaker (Mrs. Champagne): The last time the bill was before the House, the hon. member for Ahuntsic had the floor. She still had some time left. Does the hon. member wish to continue her speech?

Ms. Roy-Arcelin: Yes.

The Acting Speaker (Mrs. Champagne): The hon. member for Ahuntsic.

Ms. Nicole Roy-Arcelin (Ahuntsic): Madam Speaker, I would like to make a comment and perhaps ask a question, if I may.

Mrs. Maheu: Madam Speaker, on a point of order.

The Acting Speaker (Mrs. Champagne): The hon. member for Saint-Laurent—Cartierville, on a point of order.

Mrs. Maheu: Madam Speaker, I would appreciate your opinion. Is it customary for a member to ask questions when that member has the floor for the purpose of making a speech?

The Acting Speaker (Mrs. Champagne): I think that the hon. member can certainly understand that sometimes during a statement a Member might ask a rhetorical question, as many of us do, I think, at times.

The hon. member who was asked some questions has a few minutes left. Since she is there, she can surely answer a question she was asked and if her last comment takes the form of a question, I see no reason to object.

The hon. member for Ahuntsic.

Mrs. Roy-Arcelin: Madam Speaker, I can also use my time to make a comment.

The multiculturalism policy was established by the Liberal government in the 1970s because they saw it as a way to integrate into the Canadian mainstream Canadians whose origin was neither French nor English.

But since then, Madam Speaker, the face of our country, Canada, has changed. More than a quarter of our population is of other ethnic origins and our country is already in fact multicultural.

As the hon. member believes, Madam Speaker, this concept is no longer directed only to these minorities but to all Canadians, whatever their origin. Instead of dividing Canadians and "ghettoizing" them, it tends to unite them, to help them discover and respect their diversity, which is a great asset for our country.

That is why several European countries and even Australia envy our multicultural policy.

Madam Speaker, why do some hon. members not want to give our country a chance to develop in diversity, which is the reality of our country's existence?

The Acting Speaker (Mrs. Champagne): Questions and comments. The hon. member for Saint-Denis.

Mr. Prud'homme: Madam Speaker, may I ask my distinguished colleague a question? She said that Canada should develop in diversity. But how does she fit the Official Languages Act into this diversity? Where does it fit into the new Multiculturalism Act? How can one combine what is an official fact, Canada's two official languages, although I know it is misunderstood in many parts of the country, how can one reconcile it with the new Multiculturalism Act?

Ms. Roy-Arcelin: Madam Speaker, I would say to the Hon. Member that the official languages will still be respected, as will all the new arrivals and the ancestral languages of the ethnic groups. But it must be clearly stated that the official languages, English and French, will be respected. Of course, the intention here is not to change the Official Languages Act and I think that all these newcomers and those who have been here for a long time will respect the Official Languages Act.

[*English*]

Mr. Bevilacqua: Madam Speaker, I have a question for the hon. member. It is in relation to the debate we are having today which I think is a debate of importance. It is a debate that I think deals with defining the very essence of Canadian culture and who we are as a people. There are certain things that concern me about the present direction of multiculturalism. Sometimes I think the message gets lost, not only outside but even within this Chamber.

For example, I gather from what the member stated culture is multiculturalism. My question is quite simple. If that is indeed the fact, then why do we have a parliamentary standing committee that calls itself the communications, culture, citizenship and multiculturalism committee? I would like to know what groups are represented within the culture portion of this parliamentary standing committee and what groups are represented within the multiculturalism portion of this committee. Are we four solitudes of this nation?

[*Translation*]

Ms. Roy–Arcelin: Madam Speaker, I think that we granted the wishes of our friends in the opposition because the members of the multiculturalism committee asked for multiculturalism to be separate from communications. So we granted their wish.

The Acting Speaker (Mrs. Champagne): Resuming debate.

[*English*]

Ms. Albina Guarnieri (Mississauga East): Madam Speaker, I rise to speak to Bill C–18, an act to establish the Department of Multiculturalism and Citizenship, with the belief that this is a sincere effort on the part of this government to address the changing demographic reality in Canada. This bill recognizes that Canada is no longer a bicultural English–French nation, but a country constructed and reborn from many different heritages and backgrounds.

• (1130)

Roughly 40 per cent of today's population is neither of British nor French origin. This new reality of cultural pluralism presents a tremendous challenge for our nation.

But to effect real change we have to change attitudes as well as policy. In the past, Canada has had a relatively good record of addressing the needs of new Canadians and being sensitive to their concerns. Honest attempts have been made to recognize the intrinsic value that each new culture brings with it and the tremendous contribution that immigrants have made in the building of this nation. It is an eclectic identity that has thrived on its diversity and not been weakened by it.

The future of Canada hinges on the harmonious development of a self–confident society, on a society flexible enough to adapt and preserve positive elements from the many cultures of the world. This is a nation where any individual from any culture has the chance to come and start a new life. Canada has become an example to the world of how people of different backgrounds can work together for the common wheel. Our country is now a blueprint for the global village.

In principle Bill C–18 is well intentioned, but there are dangerous pitfalls in the undertaking of this pursuit. Ideally a multicultural policy should attempt to address the various issues of employment equity, racism, discrimination, integration, and training programs. These are good starting blocks, but the record so far has sadly fallen short of the ideal. The government has not been particularly successful in ensuring employment equity even within its own sphere of control. We need to look no further than the post office to measure how well this policy has been implemented.

According to the Canadian Ethnocultural Council only 4 per cent of the workforce of Canada Post are visible minorities. Compare this figure to the private sector as a whole where 6.3 per cent of the workforce are visible minorities. The discrepancy between the government's employment equity dream quest and the actual results is just as worrisome in other areas under government jurisdiction such as CBC and Bell Canada.

The existing legislation designed to end discrimination and ensure equality has clearly failed in the public sector. Unfortunately policies and programs aimed at ethnic minorities have often meant little more than bread and circuses. Ethnic communities are treated as something apart from so–called main stream society.

The government is all too willing to throw funds at communities to sponsor dances and events that are little more than costume parties. The attitude that the real problems of discrimination and racism can be avoided as long as money is supplied for costumes is a mistaken one. This is an ignorant and patronizing policy.

New Canadians want to preserve their culture, but more importantly they want to become full partners in Confederation. This has in reality been denied in the past. Multiculturalism has evolved to mean culture, different from French and English. Multicultural policy has regrettably acted as a barrier, preventing full integration, and one by-product has been the development of second-class citizens. The policy has exaggerated the differences rather than the similarities. It has encouraged ghettoization.

Ethnic Canadians who have been here even longer than many non-ethnic Canadians are still considered foreign. A country cannot progress if 40 per cent of its population is made to feel alien.

Lamentably there is a feeling among many Canadians that racism is once again on the rise in our country. The tolerance that was espoused in the 1960s and 1970s is evaporating. More and more Canadian cultural insecurity is reflected in the mounting attitude of many who feel threatened by new Canadians. Sadly we find that a growing number of Canadians do not like the "kind" of immigrant coming into this country. Perhaps it is simply the case that tensions that were previously submerged are now rising to the surface.

These tensions have now taken many forms, whether it be the painting of a swastika on a synagogue in Toronto last summer, a campaign to deny Canadian Sikhs the right to wear turbans as part of their police uniforms, or charges by native and black Canadians that they receive harsher and different treatment from police than other Canadians. All these examples are symptomatic of problems that cannot be conveniently packaged as multiculturalism.

Giving money to community groups to promote heritage events is fine for government public relations, but it does nothing to address the real problems that we will continue to experience as a result of Canada's changing demographics.

Multiculturalism, unfortunately, has become the catch all phrase for everything that is culturally different. There is a real danger if the term "multiculturalism" is used to pigeon-hole immigrants or those with foreign names. This is the reason why I can only agree with the bill in principle.

As a person who would be called by many an hyphenated Canadian as in Italian-Canadian, I have difficulty in accepting that the culture of my parents is a culture apart from mainstream Canadian culture, that it is something secondary, something not quite first-rate Canadian. In fact, the culture of my heritage is no different from main stream cultures other than it has a smaller audience in this country. Nonetheless, to ghettoize my ancestral culture by funding it through a special multicultural branch seems at best a little patronizing.

I can think of a number of organizations in my own riding that survive quite nicely without the benevolent patronage of government multicultural funding. For example, the Croatian Committee for Human Rights has promoted annual community elections that drew over 3,000 members in Mississauga. This was organized without a penny of government funding. I cite this as an example of a community evolving and maturing into political and cultural self-sufficiency within the Canadian mosaic.

Perhaps a more real alternative would be to place these programs under the Minister of Communications along with other Canadian cultural programs. I believe in a cultural policy of one Canada. As our Charter of Rights states, a Canada where no matter the race, national or ethnic origin, colour, religion, sex, age or mental or physical disability, we are equal.

Canadian social scientists have debated for years an absolute definition of Canadian culture. The reality is that an absolute definition is impossible because culture is always changing with the influx of new people. Canadian policy must reflect this evolution.

Today, the reality is that Canadian culture is multicultural. This new department must go beyond merely institutionalizing the ghettoization of various Canadian groups. We must take precautions to ensure that we will not have a nation where non-English or non-French Canadians will be considered foreign, even if their families have been here for three generations. This is not the way to build a strong Canada. At the same time it is my hope and the hope of many of my colleagues that this new department will be a forum for educating Canadians to more understanding and more tolerance.

We must build a country where each citizen can be rich in the heritage, customs and language of his ancestors but be no less Canadian because of it. This can only be achieved if this department of multiculturalism evolves into a department of heritage where all Canadians can participate and all cultures are treated equally, whether they be English, French or other.

• (1140)

In a unified and harmonious Canada no one can be called a hyphenated Canadian.

Ms. Mitchell: Madam Speaker, I was very interested in the remarks of the member and in particular the comment she was making in relation to her own cultural background and the heritage of the Italian–Canadian community. I wonder whether it is a common feeling in certain parts of central Canada and around the Toronto region in particular that maybe we do not need a separate multicultural program or policy. Maybe she will clarify her thoughts on that.

Also, I would like to express some concern. I do not get the same feeling at all coming from the west coast of Canada where many, many immigrants of different racial backgrounds—and there are many black Canadians who have been there for a number of generations—who still feel very definitely that some kind of special multicultural programs and affirmative action programs are needed to deal with questions of racism. I do not think she dealt with this. It is in my view a lot more than just heritage matters. There are very definitely issues concerned with equality and with racism that I feel should be a major priority in any kind of multicultural policy and concerns of a multicultural department. Would the hon. member like to comment on that?

Ms. Guarnieri: Madam Speaker, I thank the hon. member for her commentary. Perhaps I can best illustrate the point I was trying to make by citing an example of a constituent who came to my office.

She was born in Australia and she had to reinstate herself. She was obliged to go to what is called the Department of Ethnic Affairs. She came to my office enraged that she, born in Australia and now seeking to reinstate herself, would be obliged to go to what she considered was a put down. The put down was the Department of Ethnic Affairs. My comment to her was: "Join the club".

The hon. member for York South—Weston who was born here in Canada is still considered a hyphenated Canadian. I can appreciate and understand his grief when he is subjected to being a hyphenated Canadian even though he was born here.

There is no quick fix solution. The policies may be well intentioned and well meaning, but they have to evolve within the political reality of Canada.

You have a minister of culture and a minister of multiculturalism for the ethnics. Either the English and French will be deemed multicultural or the ethnics should be shifted under the umbrella of culture. It seems that the concept of two ministries to deal with the various cultural groups is faulty thinking. It promotes the differences rather than the similarities.

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, I rise today to address this bill, not only to put forward some of my views but also to clarify some of the talk that is going on in the community as to what is our basic position on this bill as a party.

First, I want to go back to the origins of our party on this bill.

It was this month in 1971 that Pierre Trudeau rose and said: "For although there are two official languages there is no official culture, nor does any ethnic group take precedence over any other. No citizen or group of citizens is other than Canadian, and all should be treated fairly".

We in the Liberal party are constantly defining and redefining policy, and multiculturalism is of no exception. Recently, on Friday, there was an article in *The Globe and Mail* by Jeffrey Simpson with the headline: "Balking at Multiculturalism". It went on to say that myself and other colleagues were balking at multiculturalism.

We were not balking at multiculturalism. We were asking ourselves some of the very questions that my colleague from Mississauga just finished raising. We are asking ourselves questions such as: if our national culture now is one of multiculturalism, if we are now a multicultural land, why do we really need a new department? Why do we need a separate department? Why can we not have one super ministry of culture?

As my hon. colleague mentioned, these are valid questions. It confuses people. There is a feeling out there that at times multiculturalism means this department will look after everyone who is other than French or English. Our country has evolved to a point where the people in my riding—and I do have a riding that has representatives from 50 different countries who are all Canadian—say to me that they feel Canadian, they feel equal, they do not feel that they need separate, distinct status.

It is important as we go through this bill today that we realize it is a bridge. It is a bridge to a point where eventually we will have one super ministry of culture to deal with all Canadians on all issues related to culture, whether it be racism or employment equity, rather than having a separate unit.

Therefore I want to reiterate what my colleague from Mississauga said. The government has basically put forward a bill here today which obviously promotes the machinery of multiculturalism, but we must make sure that the essence of multiculturalism is properly serviced. If we continue to use this department of multiculturalism for song and dance and ethnic newspaper advertising, as it is sometimes described in the manual, then I think we are working against the evolution of this country.

I want to be very clear that never ever has anyone in our party, including myself, balked at the multicultural reality of this country; but we want to make sure that we are not entrenching ghettoization which really does not serve any of us.

Ms. Hunter: Madam Speaker, I was very interested in the member's comments, but I need further clarification. He said that he is supporting multiculturalism. His actions as critic of his party belie that statement with his request that there be no special multicultural committee.

I am wondering whether or not he realizes that his words are all very nice, but the reality in Canada is that we have racial problems and this multicultural committee and this bill may go some distance to address that reality. I would like him to address his comments to that.

• (1150)

Mr. Mills: Madam Speaker, when I think of the Department of Transport I do not think that we need to create a separate department for planes, a separate department for trains or a separate department for boats. If the Government of Canada is doing its job properly, the problems of racism should be handled in a comprehensive way and not just handled in some hived-off department.

I am very concerned that the very problem that you cite might not get the amount of priority. It might not get the amount of attention and energy put behind it when it is not right at the top of the agenda and handled in a comprehensive way through the Department of Justice, the Department of Employment and Immigration, and all the various departments that really must act on those very sensitive issues.

In my first job in Ottawa I worked for the Minister of State for Multiculturalism, Jim Fleming. I could see the frustration on a weekly basis that we had getting some of those priority issues to the top of the agenda. We at that time were not even on the inner cabinet. We were not on priorities and planning. So sometimes with those sensitive and difficult issues that you raise—and they are important—we just would not get the time we really needed. I really hope that we are not entrenching that kind of issue you raise as a concern which of course I support.

Mr. Nunziata: Madam Speaker, I have just a comment. The NDP member who just questioned my colleague referred to racial problems that exist in Canada. She is quite right, there are problems. There is a fear that the problem is getting worse, that discrimination in effect is on the increase. Canadians are asking themselves whether we are as tolerant as we say we are and whether in fact we are as pure, if I can use that word, as we say we are when it comes to racial tolerance.

I think it is important to ask ourselves what are the root causes of the increased level of discrimination and racism and intolerance in Canada today. There are those who suggest that perhaps we should examine some of the policies of the Government of Canada and try to determine whether the policy itself, for example multiculturalism, is in some way impacting in a negative way on that very serious problem.

With respect to the racial problems that exist we have a problem right here in the House of Commons. There are members in this House who are going about gathering petitions and speaking out against Sikhs using their turbans in the RCMP.

Now, if we are as open and as tolerant and as multicultural as we say we are, then why, pray tell, are members in this House doing something which would suggest otherwise? Where is the tolerance when it comes to as important an issue as allowing Sikh-Canadians, if I can use the hyphenated term, to be members of the Royal Canadian Mounted Police?

I do not believe that multiculturalism or a policy of multiculturalism is the way to deal with that problem. Multiculturalism, if I can be blunt, is there as a vehicle to hand out patronage, to hand out government largess. That is what it has come to mean.

All the flowery rhetoric in the preamble to the Multiculturalism Act and now to Bill C-18, as I have indicated in the past, is divisive.

What we have is the Canadian Charter of Rights and Freedoms. If there is a problem with racism or discrimination we have laws in this country that protect every Canadian. We have the provincial human rights commissions. We have the federal law, the Charter of Rights and Freedoms. That is the vehicle to deal with discrimination and racism in Canada.

My colleague from Broadview—Greenwood and I agree in principle with respect to where the policy of multiculturalism is evolving. At some point in the past it was a policy that was useful in that it allowed new immigrants to Canada to feel that they were part of main stream Canada. Today, those very people are asking themselves what is main stream Canada. Unfortunately, to some main stream Canada means French or English. In practice it is not a policy that is doing what it purports.

My simple question is this: Can my colleague explain what the functions of the Minister of State for Multiculturalism will be and how will that differ from the functions of the Minister of Culture? If this bill is passed and carried, we will have two ministers—a Minister of Culture, presumably of Canadian culture, and his exact title will be the Minister of Culture and Communications. Then we will have a minister of multiculturalism.

Mr. Mills: I think my colleague and I share the same concerns. Right now, the ministry of multiculturalism is basically an operation that hands out cheques for programs that in many cases have not been totally thought through and are not really productive in terms of meeting the objective of multiculturalism. Because of that priority on ministers running around handing out cheques, we seem to forget about priority issues like racism and employment equity. I think really—

Mrs. Browes: You guys are the only ones forgetting about it.

Mr. Mills: I said that I worked in the Ministry of State for Multiculturalism. I must tell you that I found parts of that operation very wanting. I do not think—

Mrs. Browes: We have had a new administration for five years.

Mr. Mills: Are you telling me right now that you are no longer going to do any of that, that you are just going to address priority issues like racism, employment equity and day care? If you are, then we are heading in the right direction.

The ultimate point that I would like to make is that this is a bridge. We should look at it as a bridge because we must make sure that our aboriginal peoples are looked after in a proper way.

This approach is not the long-term answer, but as a bridge we will be vigilant and constructive. I think the granting of funds for program development should come under the ministry of culture.

Ms. Dawn Black (New Westminster—Burnaby): Madam Speaker, it is a pleasure for me to rise today in the House to speak to the act to establish a department of multiculturalism and citizenship. I support the establishment of such a department whose mandate is to promote national policies and programs with respect to multiculturalism and citizenship, to provide services to aid in the acquisition of citizenship, and to grant funds for race relations programs.

• (1200)

First, I would like to address the issue of support for multiculturalism programming. I have long been aware of the work performed by ethnocultural organizations in my own riding and across Canada. The Burnaby Multicultural Society has instituted many innovative programs. The Burnaby School Board now has multicultural workers to respond to the needs of Indo-Canadian, Chinese Canadian and Italian Canadian communities,

because of the efforts of Burnaby's ethnocultural communities and because of the efforts of the Burnaby Multicultural Society. This society has also sponsored a wonderful series on religions of the world in a very successful attempt to help to foster understanding and mutual respect in our community.

The society has just hired more multicultural workers through a grant program to assist social service agencies in making their services more accessible to all members of our community.

We know that there are cultural barriers that keep many Canadians from fully utilizing services. The society has ensured the participation of multicultural workers on crisis lines and social service agencies so that these will be accessible to members of our ethnocultural communities. The society has also sponsored cultural programs in schools, and is presently putting on two series for older Canadians in seniors community centres.

I am pleased to offer my support to all of these endeavours. I hope that the new Department of Multiculturalism will financially support the programs and activities developed and defined by the ethnocultural communities in Canada. Freedom of religion, respect for one's culture and language are the values that I hope the Department of Multiculturalism will actively promote.

When I met last May with representatives of the Canadian Ethnocultural Council on Parliament Hill, many concerns were brought forward at that time that may not be addressed in the setting up of this new department.

The council is active in the area of immigration policy. The government's immigration and refugee policies have been shameful. Immigrants to Canada are of great benefit to our country. They create jobs, they do not take them away. They bring knowledge and skills with them and they use them to make Canada prosper. They bring a culture, a language and a heritage that enriches our country. They bring ideas, a willingness to work, and a desire to be Canadian that inspires those of us who are Canadian by birth and not by choice. Often we in Canada repay them with sorrow, with poverty and with racism.

Canada does have a racist history from the days of the first white colonists who destroyed the political and economic systems of our aboriginal peoples. Slavery was only abolished in Canada in 1833. Later a head tax was imposed on Chinese immigrants just after Chinese labourers had finished building our railroads that now link Canada coast to coast. The Canadian government went even further than the head tax when it passed a law to exclude Chinese immigration altogether.

Japanese Canadians were interned in camps during the Second World War. They were relocated, their property was seized, and many were deported.

On May 23, 75 years ago, the ship *Komagata Maru*, carrying 375 Sikh passengers entered the port of Vancouver. All of the passengers were British subjects and thus had the right to enter Canada. They were not allowed to disembark. Immigration officials tried every tactic and used every possible delay to deny landing rights to the passengers of the ship. The B.C. government officials cut communications and denied permission to load food and water on to the ship. After two entire months in the port of Vancouver, two months of fear, the ship was ordered to leave. The *Komagata Maru* was escorted from Canadian waters.

We need not dig into Canadian history to find horrifying examples of racism. Students at the University of Western Ontario are being taught that black people are genetically inferior to the white race. A 1988 survey found that 70 per cent of Canadians believe immigrants often bring discrimination on to themselves.

I hope that the new Department of Multiculturalism can take on the challenge of educating the racist element in Canada. I hope that this new department will not be an excuse for government to ignore the other demands that are being made by the ethnocultural communities of our country. If the government is concerned about multiculturalism, why did it axe the Secretary of State multiculturalism program by a full $2 million?

I am particularly concerned with the situation of immigrant and visible minority women. I want an assurance that women will be well represented at the decision-making levels in this department. Looking at Public Service of Canada statistics, it is evident that decision-makers are overwhelmingly white, and overwhelmingly male.

The target set for employment equity in the Public Service is 3.1 per cent when the work force availability for visible minority workers is 6.3 per cent. I do not want to see the Department of Multiculturalism become some sort of ghetto, with the government feeling that the department must at least have some visible minority staff, but the rest of the Public Service need not. My point is that visible minorities, women, and visible minority women, should be well represented in upper level jobs throughout the Public Service.

I wonder when the government is going to do something about employment equity and about language training. I brought these two issues up before in the House, but there has been no action on the part of the government in these areas. I will continue to make these my priorities.

The Canadian Ethnocultural Council's analysis of the operation of the Employment Equity Act shows that employers covered by the act have made little progress in terms of the hiring of visible minority workers. According to the Department of Employment and Immigration, the labour force participation for visible minority members is 6.3 per cent. In the majority of firms examined by the CEC, visible minorities represented far less than 6.3 per cent of the employees of the firms. Visible minority workers were concentrated in the semi-skilled, manual and clerical occupational categories. In other words, they were among the lowest paid.

I have made public statements about the need for mandatory, enforced employment equity. I have questioned ministers in committee about mandatory enforced employment equity, and I have written letters about it. The only answer I have from the government is an indication that it seemed to think the employment equity legislation is working. Well, it has obviously never tried to use it. The government is so completely unrepresentative of the visible minority population it cannot begin to understand how to combat systemic discrimination. We must deal with systemic discrimination with effective measures such as mandatory enforced employment equity, with goals and with timetables. Voluntary compliance just does not work.

We need a comprehensive, universal system of language training for all adult immigrants, no matter what their immigration class. Access must be guaranteed to all immigrants by the provision of adequate training allowance, and child care. Special outreach programs should be developed to inform immigrant women locked into job ghettos of such a program. Without economic equality and without basic language skills, immigrant women and visible minority women do not have much of a chance in our society.

I hope the new Department of Multiculturalism will not exist just for a show, but that this government is actually prepared to listen to the ethnocultural communities and immigrant and visible minority women.

The New Democratic Party has long advocated the setting up of a Department of Multiculturalism. I might add that there are other New Democratic Party policies that the government would do well to heed. One is enforced mandatory employment equity with goals and timetables for women and visible minority members.

I do support this bill to found a new Department of Multiculturalism, as long as the government understands that this is only a first step and not the only step in creating a society that is truly fair and respectful of all of the ethno-cultural communities of Canada.

• (1210)

The Acting Speaker (Mrs. Champagne): On questions or comments, the Hon. Member for York South-Weston.

Mr. Nunziata: I would like to ask a few questions to the hon. member. The hon. member's surname is Black, and that would suggest that the origins of that name are British?

Ms. Black: Scottish.

Mr. Nunziata: Is the hon. member part of the multicultural community in Canada? I would also like her opinion on what she believes Canadians think about multiculturalism and what it means to Canadians generally.

Would she agree with me when I say that multiculturalism has come to mean that if you have origins other than French or English then you are part of the multicultural community and therefore you are ethnic. That appears to be the case, in my view. I would like to ask the member to comment generally in that regard.

In closing, can she also comment on why it is necessary to have one minister of culture, and another minister of multiculturalism, one department of culture, and another department of multiculturalism? If one of the fundamental characteristics of Canadian culture is the fact that our population is made up of French speaking Canadians or Canadians of French origin, Canadians of English origin, and one third of the population consisting of Canadians of origins other than French or English, why the need to have the distinction between multiculturalism and culture?

Ms. Black: First, I would just remind my colleague that many women carry the name that they were not born with and I was not born with the name Black, so it does not denote my cultural heritage at all.

I envision a Canadian society where all members talking about people who came to this country years ago from both French and British backgrounds. I am speaking about people who have come to our country recently from a variety of cultural backgrounds, Chinese, Japanese, Indo–Canadians. I also speak of our first people, our aboriginal people. In a society that really does care about all its people, perhaps there is no need for separate departments to deal with the inequalities that are present today.

We do not cure inequality by saying that we will treat everybody equally. When there are inequalities in our society, we must finds ways to address those inequalities. I support the development of this ministry, I have great hopes for it and I am pleased to see it before us today.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Vancouver East.

Ms. Mitchell: The point that the hon. member raised this morning is very interesting. I cannot help but throw in a comment before I address a question to my colleague.

It seems to me that he needs to look at the whole question of the status of women department. There are a lot of similarities. of ethnic communities as being those of an advantaged community, then perhaps we do not need a separate multicultural committee. If, as the Liberals in the past have interpreted, perhaps the function is mainly supporting funding for cultural programs, which are very interesting, but perhaps are not a question of disadvantage, and then perhaps we do not need it. If he would talk to many people again, particularly visible minority people about the disadvantages they face in Canada, it would be quite clear, as my colleague has indicated, just as women need a special program that provides for advocacy to assist them and to give them an avenue for moving towards greater equality, so it seems to me there are many Canadians of different ethnic minorities who would say they need the same thing, including the Canadian Ethnocultural Council. It would be interesting to debate this point further in committee.

The question I have for my colleague really has to do with another matter and it concerns the cuts to funding to the Citizenship Instruction and Language Training Program, commonly referred to as CILT. Many Canadians do not realize that the government has completely cut funding for this program. In 1987 and 1988 about $9 million of federal funds went to citizenship classes and language instruction which was matched by the provinces. Close to $20 million was going into those kinds of programs.

In my community many more dollars were needed to provide language training for new immigrants and also citizenship classes, not only for immigrants, but perhaps for other Canadians as well. They would then begin to have a much stronger identification as Canadians and new Canadians with English or French not their first language would be able to settle into society as well as into jobs.

The government has chosen to cut this program. I would maintain that it is an abrogation of federal responsibility as far as the settlement of new immigrants is concerned and will lead to isolation and ghettoism of many people, particularly women and older people who are not in the workforce. It is also a contradiction of multiculturalism.

I would like to ask the member for her comments. I know of her great concern for the point of view of immigrant and visible minority women.

Ms. Black: I thank my colleague for her question. I know that she has a large proportion of ethnocultural groupings in her community. She is also aware of the very drastic effect that the cutbacks in language training have on all of these people, particularly on immigrant women and visible minority women who, when they enter Canada, are not always deemed to be of the same immigration class for language training. Many times these women have already been discriminated against in the classification that the immigration officials have deemed them to be for any kind of language training.

Now with the cutbacks to the CILT program there are further barriers to immigrant women who find it even more difficult than immigrant men to integrate into Canadian society. After all, if they cannot speak the language at the school their children are attending, it is very difficult for them to communicate with the schools about the education of their children. It is very difficult for them to access social service agencies in their community when they cannot speak the language that is used.

I know that the ethnocultural communities are lobbying the government. I applaud their effort and I do hope that the government will listen to the needs, particularly of immigrant women on this issue.

Ms. Ethel Blondin (Western Arctic): Madam Speaker, I am pleased to speak on this important and progressive bill and the goals that we are trying to achieve with respect to our Canadian culture.

National identity is an expression that evokes a variety of issues, ideas and feelings. The absence of conflict, loyalty to the national government, the possible succession of one part of the country from Confederation, harmony or positive feelings amongst the people in different parts of the country, pride and other good feelings about being Canadian, co-operation rather than tension between levels of government, giving precedence to one's Canadian identity over one's regional identity, and the feeling of getting a good or bad deal from being part of the country. These are all concepts of national and social cohesion.

• (1220)

Today I want to address the proposed act as it affects the aspirations of aboriginal people and their respective heritage. The wording of the bill is not clear and I do not understand what is intended for the promotion and protection of the culture, the languages, and the rights of Canada's native people.

Over the years Canada has been beset with many problems of national unity or societal cohesion. Recently, attention has been focused on the French–English conflict and the prospect of Quebec national sovereignty. However, English–French relations are embedded in the whole matrix of other matters such as regional disparities, political tensions, economic problems, external domination, constitutional disputes, integration of people of different cultures and racial backgrounds, all of which present the problems of the cohesion of Canadian society.

Divisions among Canada's various provinces and regions have produced a highly decentralized political system with powerful provincial governments. Federal political institutions have proven inadequate to regulate regional conflict which often must be dealt with by conferences of provincial premiers rather than through the federal parliamentary apparatus. Economic problems have generated intense conflicts in labour–management relations. Canada has experienced a high degree of industrial disruption in recent years. The controversy over inflation and the wage and price controls is only one aspect of this problem.

External domination by British and then American interests contributes to the lack of a strong Canadian identity or a powerful unifying national ideology. In terms of culture, the printed and electronic media of mass communication, and the educational institutions have been heavily influenced by materials foreign, mainly American in origin.

All of these problems, and others as well, are interrelated and intertwined in the effects on the cohesion of Canadian society. None can be understood in isolation from the others. Ideally, ethnic diversity should become the factor in the development of a national identity. By this legislation it is hoped that ethnic diversity, by creating a general atmosphere of tolerance and pride in one's cultural heritage, might itself become the symbol of promoting national unity. It is interesting to examine how language and ethnicity mix with other features of our society such as regional disparities, American economic dominance, and socioeconomic inequities.

The configuration of ethnic and linguistic diversity in Canada is complex: one, the native peoples in relation to the rest of Canadian society; two, the English-speaking people in relation to the French-speaking people; three, a number of ethnic groups composed of immigrants and their descendants in relation to the rest of society. We have our hands full. This is a complex issue.

Within these lines of differentiation further distinctions need to be taken into account. The native peoples comprise several different groups including the Métis population. The anglophone–francophone distinction cuts across the other lines of diversity. The anglophone community is highly differentiated ethnically; so is the francophone community, although much less so. Other ethnic groups are numerous. They exhibit a considerable range of variation in factors such as size, acculturation, complexity of social organizations, and geographic concentration.

Despite such internal variations, at a general level there are a number of issues that pertain to all three axes of diversity. Among these is the question of patterns of inequality across ethnic and linguistic groups, and their impact on the cohesion of society.

There is also the matter of the modes of incorporation of members of different ethnic or linguistic communities into the political, economic, educational, and other institutions of the country. Not all communities are integrated into Canadian society in the same way. Their relationship to institutions are not the same. This is also a matter that has considerable bearing on the cohesion of society.

Another issue is the degree of contact and cross–cultural communication across communities. The development of a common culture that each collectively shares and the common symbols with which each identifies is an issue that is related to that of cross–cultural communication. The survival of ethnic and linguistic groups as distinct socio–cultural entities is another matter of relevance for societal cohesion.

These are some definitions that need to be expanded on in the legislation.

Please allow me to give you some history of the native heritage in aboriginal Canada. As European explorers and fur traders began to move into what is now Canada in the sixteenth century, they encountered a number of native cultures that because of their technological simplicity were thought to be uncivilized and backward. There was no system of writing, no metallurgy beyond the pounding of copper in one or two regions, no practical use of the wheel, and virtually no domestication of animals, except the dog.

Only recently has the ingenious nature of native cultures been recognized, particularly their value as adaptive strategies to deal with regional or local environmental conditions; natural conservationists. Native languages were thought to be rudimentary, primitive, and not really worth learning; religions were thought pagan; and social and political structures almost non–existent, based upon custom rather than a coded system of law. Although there were diverse societies speaking in a variety of languages across Canada in aboriginal times, culture and language played almost no part in the official definition of an Indian developed by the federal government.

This definition grew out of the first Indian Act of 1876 in which the principle of patrilineal descent was used to determine who was eligible for registration. This principle is still in force and has been interpreted to mean that only those persons of native ancestry who can trace their descent through the male line to a person originally entitled to be registered are Indians for purposes and benefits of the Indian Act.

An analysis of ethnic differentiation is useful in considering what makes aboriginal issues different than other minorities. There are major differences and these have to be examined.

First, the native communities are in fact not yet fully incorporated into our society. Indeed they exist as a cluster of satellites at the margin of the wider society. Second, native groups have a long historical background as ongoing societies on this continent. Because of this, they are nations, rather than ethnic minorities in the usual sense of the term. I come from a group called the Dene Nation.

This historical background also carries with it an internal diversity. This is a third element of their situation; it is appropriate to talk of native peoples because there are several of them. The diversity is also increased by the presence of non–status Métis and other categories of people of Indian ancestry. A fourth element is territory. It constitutes an important basis of native communities in their economic, political and socio–cultural dimensions. Fifth, both in absolute and relative terms, the population of people of Indian ancestry is quite small.

I want to give members an overview of the issues which the aboriginal peoples of our country are faced with today. I am not convinced that a new department of multiculturalism and citizenship will address the crisis with which native people are trying to cope. Indian and Inuit leaders often argue that real progress for their people depends upon the satisfactory settlement of land claims and the attainment of self government. But these are far from being the only questions facing native peoples today. There are critical problems in the area of employment and services, as there are with the justice system, and with the Indian Act itself.

Compared to other countries, the native people of Canada are well off, because we are not being slaughtered as they are in Brazil or elsewhere. But we can also learn from them, and we are involved more and more in the international links that are being created. For instance, at the United Nations there is now a working group looking at indigenous rights around the world. A draft universal declaration of indigenous rights is being put together. Canadian native people are trying to organize themselves so that we can have a single voice at the international level.

• (1230)

Another initiative they have been pushing for is an international year for indigenous people. It appears that 1993 may be the year.

Native organizations are concerned about what new legislation means to them and their programs and services. There is an immense task before us if we are to create a climate to which our energies are to be used to heal and develop native communities.

The Grand Chief of the Assembly of First Nations has outlined a number of steps that the government can take to arrive at the situation. First, forums need to be established to resolve outstanding items on the Canada–First Nations agenda. A process is also required for native people to acquire full control in the areas of education, justice, child care and health. Legislation is required to recognize the continuing and inherent right of the First Nations to govern themselves in these areas.

Finally native people need an early resumption of the constitutional process. We are not asking for special treatment; we are asking to become what we always have been and what we always were—first Canadians and Canadians first.

Some Hon. Members: Hear, hear!

Mrs. Maheu: Madam Speaker, I would like to ask the member from the Arctic to deviate just a little from her text. When we speak about multiculturalism I wonder if she was present earlier today when members of this House referred to the department of multiculturalism as being one which handed out subsidies to various ethnic groups, song and dance, if you will.

Normally when groups in my riding receive grants for their community projects, as their member I am informed about the projects and have often presented cheques. When it comes to multicultural groups, at least in Saint-Laurent—Cartierville and I understand that the same phenomenon applies to the neighbouring riding of Mount Royal, our present minister personally hand delivers his cheques to the multicultural groups.

We talked about patronizing this morning or vote buying if you will. I would like our member and others to address this subject and to make comments on that.

Mr. Della Noce: She is young.

Ms. Blondin: Madam Speaker, all that I can say with regard to this particular issue—

Mr. Della Noce: Naive.

Ms. Blondin: I am not naive. I am 38 years old. I am a politician. I have equal rights with every other member in this House. I would like to answer this question if the member opposite would give me the opportunity to do so.

I would like to say that it is generally the practice of the various departments in issuing grants and contributions to allow the member to participate in that process. I do not feel that it is morally right, for one, to have the minister handing out and not sharing in that activity with the local member and with other senior executives or senior government members of that particular region. I think there is some concern about the way in which this is done and I think it is something that has to be examined. Otherwise the perception is that it is generally vote buying.

Mr. Nunziata: Madam Speaker, my colleague from the Arctic has injected into this debate an interesting element, and that is the status of the aboriginal people, the native people in Canada and their role in Canadian society.

A few minutes ago I asked the member for New Westminster—Burnaby some direct questions in terms of whether she considered herself part of the multicultural community and whether multicultural to her meant everybody, regardless of their ethnic origin.

I know my colleague, the member from the Arctic, felt slighted when this government entered into the Meech Lake Accord. One of the reasons she felt slighted and aboriginal people generally felt slighted was that when the Prime Minister and ten First Ministers got together at Meech Lake, one of their purposes was to define Canada in the Constitution. They started to talk about fundamental characteristics of Canada. We know that the main thrust of the Meech Lake discussion was to get Quebec's signature to the Constitution, but in so doing it was necessary for them to define Canada as it is today.

I think it would be useful to try to recall how they defined Canada. They said that English speaking Canadians and French speaking Canadians are fundamental characteristics of Canada, period, full stop. My mother, an immigrant to this country, does not speak fluent French—in fact, she does not speak any French at all—and she does not speak fluent English. So by implication in this particular Meech Lake Accord my mother and the hundreds of thousands of others like her are not fundamental characteristics of Canada.

By implication as well—and the member finished her speech by referring to the fact that she considers herself Canadian first and first Canadian—when the powers that be came together to try to define Canadian culture in Canada they excluded not only people of origins other than French or English; they also excluded the aboriginal people, those who were here first. When I speak of the mindset, the discriminatory not necessarily intentional mindset in Canada, one has to look at things like the Meech Lake Accord and one has to examine the actions of the government with for example—and I mentioned this the other day in the House—the Japanese Canadian redress question.

That was an issue that had to be dealt with by the Government of Canada, by the Parliament of Canada, and that issue was given to the Minister of State for Multiculturalism. The only reason that responsibility was handed to the Minister of State for Multiculturalism was because Canadians of Japanese origin are considered ethnic, part of the multicultural community, and therefore somehow that issue had something to do with their ethnicity rather than—

Mrs. Browes: You did not deal with the issue at all.

Mr. Nunziata: Madam Speaker, the member likes to interrupt and, as I indicated to her on a number of other occasions, I would be pleased to debate this subject with her at any time.

But getting back to my point, that issue ought to have been dealt with by the Minister of Justice, because it was an issue affecting justice in Canada, not an issue affecting Canadians of Japanese origin because they had Japanese origins. So there again we have the mindset.

My colleague has raised some of the concerns that I have raised. How would she have reacted if the Government of Canada said that the question of settlement of aboriginal or native land claims is the responsibility of the Minister of State for Multiculturalism. Can she tell me what the reaction would have been in the aboriginal community or in the native community? I would like her also to comment whether she considers herself part of the multicultural community and whether she considers herself an ethnic?

Ms. Blondin: Madam Speaker, I would like to thank the hon. member for his lengthy and interesting question.

• (1240)

First of all, with regards to the settlement of lands claims, I think everyone knows that particular question lies with the Department of Indian and Northern Affairs and with the federal government. The Prime Minister was there to sign the agreement in principle. I think it is viewed as a major priority for any government, be it Conservative, Liberal or New Democratic Party.

My reaction would have been one of shock, and I think you were anticipating that answer. It would have been unacceptable for the aboriginal groups to have been referred elsewhere to deal with this issue. This particular issue is so important that it requires inner cabinet's input. There are very fundamental issues such as taxation, cash compensation, et cetera.

The other question the hon. member asked was about whether I consider myself to belong to a multicultural mosaic of Canada. Most certainly I do, but aboriginal peoples have a unique constitutional status and that has to be examined as well.

The Acting Speaker (Mrs. Champagne): I am sorry I must interrupt the hon. member. The time for question and comments is now over. Resuming debate with the Hon. Minister of State for Housing.

Hon. Alan Redway (Minister of State (Housing)): Madam Speaker, over the last five years or so I have told you a number of stories from my own personal background. I am going to tell another this afternoon.

Back in 1976 I decided I would run for mayor of my own municipality, one of the six cities that make up metropolitan Toronto, the borough of East York. I did that for a vast number of reasons. One of those reasons was a growing concern about what was happening to the community, the changes that were taking place, what role the newcomers who were coming to live in their own community were playing in the community. I had been born, brought up or raised and lived all my life in that community. It has been a community that had been good to me and my family. I wanted to make sure that experience could go on for my children and grandchildren. I thought what we had in that community was something very special.

There was a concern, however, about what was going to happen as new people came into the community. Was it going to change the way of life or character of the community? Would it become fragmented in some way, shape or form? Were the newcomers to our community going to change the community and stay off in their own corners, or were they going to get involved in the community themselves and participate in it? That was one of the reasons why I ran for mayor of my community back in 1976, because there are in excess of 60 different cultural and ethnic peoples that reside in my own community.

I had this grand idea that we needed to make sure, no matter what their background, whether they came from the traditional backgrounds of the country, native people or whatever, that somehow we find a way to get all these people involved in the community. I got myself elected and then had to face the great question of what to do now. How would I accomplish what I had been talking about, what I felt, and what I wanted to do.

I happened to be on a bus one morning with a chap by the name of Bromley Armstrong, well known as a Canadian who came originally from Jamaica. Bromley said to me: "Why do you not put together a little committee, a mayor's committee, a multicultural committee, and see if that is not a way of bringing people into the main stream". That is what we did. Out of that bus ride and that conversation with Bromley Armstrong we put together a multicultural committee. It was the first community multicultural committee in Toronto, the first one in Ontario, and perhaps the first one in Canada.

As a result, blossoming from that there is now these municipal multicultural committees in many, many communities right across this country, and certainly in every one of the cities and communities that make up metropolitan Toronto. That committee now is called the East York Race Relations Committee, because we found that we had to focus on other aspects of the whole situation as well.

It did not have any funding. Somebody today in the debate said that we should not be just throwing money around on multiculturalism. That is not necessary. In fact, this committee never had any community funding, and it still does not. It raises its own money. What that did was help to bring together the community, to get people involved, to help them to participate and maintain the kind of community that I had grown up in and loved, even though they came from over 60 different cultural backgrounds from all around the world.

When I ran for Parliament one of the things I wanted very much to do was ensure that this Parliament and the government that I was a part of did everything possible to make sure that all Canadians wherever they may have come from, whenever they may have come here, could participate fully and be involved in Canada with no barriers.

I have been extremely proud of the record of this government in the last five years and the things it has done. The first ever employment equity legislation has been passed by this government during that five-year period. The first ever affirmative action program for visible minorities in the public service has been put in place by this government during the last five years. The first ever Standing Committee of the House of Commons on Multiculturalism was created by this government in the last five years. The first ever Standing Committee of the House of Commons on Human Rights was put in place by this government in the last five years. The first ever Multiculturalism Act was put in place by this government in the last five years.

Some Hon. Members: Hear, hear!

Mr. Redway: The final wiping clean of the slate on the redress for Canadians of Japanese origin was put in place by this government in the last five years. I might say it originated under the department of multiculturalism, not the Department of Justice because it was the former Prime Minister, Mr. Trudeau, who focused in and put it there. It was carried on, as a result of that, under the multiculturalism provisions.

Now we are debating and have before us the first ever department of multiculturalism legislation in this country. I think that is a milestone and something to be applauded because it is going to help to bring Canadians together, not to divide them in any way. I hope very soon that we are going to deal with that very, very nasty problem that has been hanging out there, the head tax issue. That has to be dealt with and I hope it will be very soon in the life of this Parliament. I hope we can wipe out as well all of the other issues of unfairness with which other Canadians have been treated over the years whether they have originated in the Ukraine or originated in some other country around the world.

Those are measures that I think that are very, very positive. They are certainly not aimed at dividing people or ghettoizing people. They are aimed at bringing people together. That is what this legislation and this department is all about, in my view. It is aimed at making sure that we clear away all the barriers so that all Canadians in this country, no matter where they came from, can participate and become fully involved in Canada itself. Let us get rid of all those barriers.

A week ago Sunday night I had the great honour and privilege to participate in a dinner honouring the dedication of a monument to the Chinese Canadians who came to this country to build the railroad, to build the CPR.

Ms. Mitchell: There is one.

Mr. Redway: Exactly, but the statue was erected in Toronto, interestingly enough. You may have one there, but there certainly is one in Toronto now. Let me tell you that between 1880 and 1885, some 17,000 Chinese came to this country to build that railroad.

• (1250)

Ms Mitchell: And died.

Mr. Redway: Some 4,000 of them died, that is correct, in the building of the railway that tied Canada together.

After the railway was built they were no longer needed to work on the railway. They could not get home, they did not have any money, so they drifted into poverty.

A week ago Sunday night at that dinner in Toronto the descendants of those railway workers—lawyers, doctors, a meteorologist and business people—all were there to pay tribute to their ancestors and to honour their ancestors who had helped to build their country, all our country, Canada. As they rose and we sang our national anthem together, *O Canada*, I have to tell you that a real thrill ran up and down my spine. Here we had Canadians all participating in this country of ours. That is the name of the game and that is what it is all about. Regardless of from where any of us may originate, the purpose of this legislation is to make sure that everyone can participate and be involved fully and that there are no road blocks in the way.

I have found in my own community in dealing with Canadians, wherever they come from, that they do not want to have to blot out and pretend that they did not come from where they came from or that their ancestors did not come from where they came from. They want to have the right to maintain their own culture, their own heritage and to some extent their own language. They are proud of their heritage and their culture. They are even more proud, fiercely proud, of being Canadians.

And that is exactly what this bill is all about. This bill is not to create a department to divide, not to create a department to ghettoize Canadians. It is about creating a department to allow everyone to participate and to allow all of us to participate fully in being Canadians.

On that note I want to move, pursuant to Standing Order 26(1):

> That the House continues to sit between 1 p.m. and 2 p.m. this day for the purpose of consideration of Bill C-18.

The Acting Speaker (Mrs. Champagne): The House has heard the terms of the motion moved by the Hon. Minister of State for Housing. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): According to the provisions of Standing Order 26(1)(6), if 15 members rise in their place to object the motion is defeated. Shall the motion carry?

And fewer than 15 members having risen:

The Acting Speaker (Mrs. Champagne): There not being 15 members rising in objection to the motion, according to the provisions of Standing Order 26(1)(6) the motion is deemed to be carried.

Motion agreed to.

Ms. Mitchell: Madam Speaker, I have two questions for the minister who just spoke. I know he has a very sincere interest in this subject. During the course of his remarks he was speaking very positively, in fact, I would say he was bragging that the government has a number of policies including affirmative action in the public service. He also said at one point referring to descendants of the Chinese Canadian workers on the railway that all Canadians are participating in this country of ours.

I would like to ask him how he can justify the lack of action, the lack of results, in the so-called affirmative action in the public service in light of the figures which I have. The percentage of visible minority people in the general workforce is 6.3 per cent; the percentage of visible minority people working in the public service is only 1.58 per cent; and the target of the federal government for visible minorities was half way between, 3.2 per cent.

There is supposedly an affirmative action program to make sure that visible minority people have their fair share of jobs in our own public service. We are failing drastically. I would like him to explain this and to explain what the government is going to do about it, especially in view of the fact that there is a cut-back in public service jobs and it is going to get worse rather than better. If his colleague behind him would stop talking, I would be glad to present the next question.

The next question has to do with a question I raised this morning. How can he justify the goals of multiculturalism and the goals of this new department which he outlined when the government is cutting back on all funding for citizenship instruction and language training? Does he not think it is absolutely essential to help new immigrants who do not speak English or French and in fact to help many Canadians to become a part of mainstream Canada? That is absolutely essential and it is a federal government responsibility to provide citizenship training and language training so that people can get into Canadian society.

Mr. Redway: Madam Speaker, I am very pleased to have the opportunity to respond to my colleague who I know has a sincere and deep interest in Canadians of all backgrounds. First of all, I do not want for a moment to say that the world is perfect in Canada. I have not been saying that. That is why we need a multiculturalism department and that is why we need other steps to assist in bringing about a much better world than we have at the moment.

Ms. Mitchell: What about the public service?

Mr. Redway: I was quiet for the hon. member and I hope that she will give me an opportunity to respond as well. What I am saying, first, is that prior to this government taking office there was no affirmative action program for visible minorities in the public service. There is now such a program and obviously it is pointing out exactly what many of us believed but about which we had no true evidence; that being that we were not perfect in the public service as far as its representation and its reflection of Canadian society was concerned. Now we have the mechanism in place to indicate to what extent the public service does reflect Canadian society and now we can move on to the steps to correct that. That is exactly what is happening. I might say that I have been laying a great deal of emphasis on that in my own department and hopefully before too long we will show some results.

Second, in respect of the question of cut-backs in funding, we all deplore cut-backs in funding of everything. I do not think anyone in this House enjoys seeing funding cut-backs not just on these programs but on a whole range of programs as the hon. member knows. If we did not have the fiscal problem that we do now, it

would not be necessary. Obviously this has to fit into an over-all global pattern of budget responsibility. I know the hon. member has opposed the goods and services tax and other things of that sort. She does so normally, saying that we can tax not all people but others like corporations. She also says that we can cut out unnecessary expenditures. So far, at least, I have not heard from her or her colleagues about any viable, logical suggestions on how to get the deficit under control. I realize she believes that it has to be under control too. Unfortunately, everything has to be restrained, and this is one of the things, along with housing and everything else, that has to be restrained if we are going to stop spending 35 cents out of every dollar that we take in paying interest on the national debt.

• (1300)

Mr. Bevilacqua: Madam Speaker, my question is directed to the hon. minister who I thank for defining, at least from my understanding of his speech, that he indeed believes that Canadian contemporary culture is multicultural. I believe he agrees with that. Based on that, I would like to see his reaction to the fact that in Parliament we have Parliamentary standing committees on communications, culture, citizenship and multiculturalism. I wonder why, if Canadian contemporary culture is indeed multicultural, we have departments of culture and multiculturalism.

Second, another question is in relation to the Canadian Multiculturalism Act, specifically as it relates to human rights. In a speech made to the Parliamentary Standing Committee on Human Rights and the Status of Disabled Persons, the hon. Minister for Multiculturalism stated that in addition to enshrining multiculturalism as a prized characteristic of our national identity, the Act has profound human rights implications. It recognizes the right of all citizens of every racial and cultural background to participate fully in Canadian society bringing to Canada their own style of being a Canadian.

I would like to ask the minister what human rights I, as a Canadian not born in this country, have as a result of the Multiculturalism Act that I did not have before under the Charter of Rights and Freedoms, the Human Rights Act and the Citizenship Act.

Mr. Redway: Madam Speaker, I want to thank the hon. member for his questions. As I understood it, there were two questions, the first of which dealt with why there should be a separate Department of Multiculturalism when there is a Department of Culture. Am I misinterpreting the hon. member's question?

There are, as the hon. member knows, all sorts of different departments of government. They serve many, many functions. This particular one I see in the light of the hon. member's second question to me, that being the question of what other rights he has now that he did not have before the Multicultural Act.

I see the whole issue as one of clearing away barriers. Whether it be a special committee to deal with that issue or whether it be a department to deal with that issue, I see the whole concept here as clearing away any and all barriers that there are in the way of Canadians, from whatever background, to the full participation and involvement in the fullness of being a Canadian. If the hon. member does not think there are any barriers, I invite him to look around, but I suspect he does understand that and that is really what this whole thing is all about as I see it.

In my own community, as I said, there are over 60 different cultural groups from all over the world. I think of that community as one where a few years ago there were quite severe concerns from people of other backgrounds about people of yet other backgrounds. Now those concerns have not melted away entirely, but they had been reduced very substantially.

I think that this kind of a mechanism, whether it be the Multicultural Act, the multicultural committee or the multicultural department, is a way of clearing away those barriers, barriers that I know the hon. member realizes exists and would like to see eliminated just as much as I and the government want to see eliminated.

Mr. Dan Heap (Trinity—Spadina): Madam Speaker, I am glad to have a chance to speak on Bill C-18 to establish a department of multiculturalism and citizenship because I think there are some serious problems with it. It is possible that it could be corrected to be useful, but one of the troublesome things about it is its lack of definition of its job. I notice, for example, in clause 4, page 2, that it says that the minister has the powers, duties, and functions extending to him, including all matters, et cetera, relating to multiculturalism and citizenship and it does not really define it any further at all. It does not say one word about race.

I believe that the question of race, race prejudice, racial oppression, racial injustice, is a very serious matter, much overlooked by many of my fellow Canadians and, in fact, one that I did not take as seriously in some past years as I now wish I had because problems that I thought were going away appear to be dreadfully still with us.

Therefore, I think we have to ask ourselves seriously if this bill is for real, is this department proposal for real? Or is it just patronage jobs and top-down propaganda? That is to say, is it really going to focus on opposing, combating and reducing racial discrimination and ethnic discrimination, and if so, how?

One very practical proposal put forward by the New Democrats was that there should be an ombudsman or commissioner, someone who would have statutorily defined duties and powers to whom anyone who felt aggrieved could appeal. Well, that was turned down and it is now sort of mushy, wishy-washy, in a department with a lot of friendly rhetoric but no clear undertaking.

That is not good enough because we have to face the fact that is with us to this very day that Canada as we conventionally call it has racism in its foundation. Canada was self-defined among the French and English arrivals from Europe who chose to kill and dispossess the First Nations of this country and to restrict them to very, very limited ways of earning a living. That is there and that has not changed to this day, not fundamentally.

Now, it is good to be busy about correcting some of the racial wrongs that have been done since then. It is good to correct the matter of the blacks in Canada who have been with us for centuries and are still discriminated against. It is good to correct the matter of the Japanese-Canadians, the matter of the Sikhs, the matter of the Chinese railway workers. When I attended this unveiling of the monument to the Chinese railroad workers that the previous speaker spoke of, I also felt great satisfaction since the idea had been initiated by my motion in Toronto city council in 1979. Certainly more of that is needed and perhaps there should be a monument in Vancouver, if there is not one already.

Ms. Mitchell: There is already.

Mr. Heap: I hear there is already. That is good. But it was appropriate to have it in Toronto where so many of the descendants of the Chinese railway workers are established now.

• (1310)

After founding Canada in part on the dispossession of its First Nations, the aboriginal people have been mistreated from then until now, including through our constitution. Our constitution, when asked to recognize the rights of aboriginal peoples, was persuaded by some of the western provincial premiers to recognize only "existing rights" leaving "existing" of course undefined. What we have learned in the last eight years is that the aboriginal peoples have not been able to make any use of that clause in the constitution. They cannot even get to the bargaining table when their rights are being bargained away.

Nations like the Lubicons have been chiseled out of land rights that were promised to them, the same as the Temagami people in Ontario. There was chiselling and is chiselling on the post-secondary educational rights by a government which has plenty of money for developing certain war projects and therefore has no money for the people of Canada.

There are cramped reserves, poor housing, poor health care services for Canada's First Nations. In the cities, there is much too frequent violence by the police forces and statements, for example, by officials of the Toronto Police Force clearly implying that black people do not have rights and that native people do not have rights.

There is a low intensity warfare being conducted on the homeland of the Innu people. The government is spending hundreds of millions of dollars preparing that; hundreds of thousands of dollars with propaganda to justify it. This is because they are one of Canada's First Nations and they are treated almost as non-persons. This situation cannot be trivialized out of existence by creating a department of multiculturalism or even a Department of Indian and Northern Affairs.

I have referred also to the blacks. There is not time to go into all the matters that this department is in danger of overlooking. We have had black people with us for several centuries in some parts of Canada and generally, they were and are poorly treated compared to white people in Canada.

In Toronto last winter and the year before, there were killings of blacks by Toronto police which have yet to be properly examined. It is shocking that when the Attorney General of Ontario dared to permit manslaughter charges to be laid, he was criticized by the president of the police union for having yielded to pressure. No police official of the Ontario government or of metro called that public servant to order for attacking a decision of the attorney general.

Likewise, another police official said, "Well, if people don't like what we are doing, we'll just let the blacks do anything they want and this will become like Detroit". That was a racist lie calculated to create fear in a city which so far has succeeded in avoiding the worst sort of excesses of a city like Detroit.

There is the situation in Nova Scotia and a recent report about Nova Scotia schools with the headline: "There is racism at all levels: Black, natives face barriers in school system, task force finds". That is in a study by Dalhousie University and, of course, there have been many other witnesses to the same point.

In Parliament, there is a book in our parliamentary library called *A History of Blacks in Canada* by James Walker. Now, to the credit of the Department of the Secretary of State, this was written partly with a grant from the Secretary of State, but only 500 copies were printed. Attempts to find it in bookstores or in Toronto public libraries have failed. Why is it that there was no funding given to the larger distribution of a careful scholarly work on the history of the black people in Canada?

We also know of a recent complaint by Brenda Lem, a Chinese writer, regarding the difficulty of locating works in public libraries by writers of colour. We are not talking about the past, we are talking about the present because the past is too much with us.

As was mentioned earlier by my colleague, government employment does not set the example that it ought to set. To set up a system for reporting and wait five years for a review of the law is a way to avoid doing anything. The government has the means of getting this information in its own employment or in its Crown corporations without going through such a ponderous process.

We are told by David Vienneau in *The Toronto Star* that the national labour force participation rate for visible minorities in Canada is 6.3 per cent. The government seems to require only half of that, 3.2 per cent. Even that was failed by the CBC with only 2.1 per cent, Canadian National Railways with 2.7 per cent, Air Canada with 2.9 per cent and Canadian Airlines 3 per cent. It does not matter whether it is public or private employment.

It was very interesting that CHUM Radio in Toronto, which employs 1,591 people, had the lowest over-all grade of 1.2 per cent. To be fair, large companies that received higher grades were Canada Post of 11.6 per cent—the first time I have heard something good for a while about Canada Post—the Bank of Nova Scotia with 10.6 per cent and Atomic Energy of Canada Ltd. with 5.6 per cent.

That is not a good record for the Government of Canada. Therefore, we have to ask questions as to what this bill is really likely to accomplish. Even the multiculturalism sector under the Department of State is having questions raised about it. Out of eight senior appointees, that is the deputy minister, the associate deputy minister, the general director and the directors, only one, the appointee on race relations, is a visible minority, Mr. Ajit Mehat. He was made permanent director only last month. For four years that sector had no permanent director on race relations, no established statement of policy or strategy on how it was to work. That does not suggest that during the last four years this matter had high priority under the present government.

The member for York South—Weston has raised a very interesting point as to whether possibly well-meant efforts to help minority groups might in fact, under present circumstances, do them harm, or more harm than good. I think his point is worth examining although I think it requires more careful examination. He mentions, according to *The Globe and Mail* in Jeff Simpson's article that "the Tories are just catching up to where we were as Liberals".

This invites one to ask where were they as Liberals when they were the government? Where were they on this question of ghettoizing? I was reminded of an article published in *Toronto Life* in December 1988 by Elaine Dewar, in which she tells us again—we have heard it before, of course, in this House, about something called:

—the Canadian Alliance for Italian Integration and Culture (Alliance for short). It was created in late 1983 and ran until March 1984. It hit the front pages in 1984—just as the Liberal leadership contest got under way. The Alliance had received a grant of $538,000 from the Special Employment Initiatives Program of the Minister of Employment and Immigration to operate a storefront referral service. John Roberts was the minister responsible. Such funds could only be acquired through the recommendation of an MP—in this case, Roland de Corneille. Ian Waddell, NDP MP, had charged the Alliance's real purpose was to put government money into a Liberal riding before an election. Certain persons associated with the party were involved or employed by the Alliance.

She goes on to name names, but I see that my time is running short. However, you can find the names if you want in the December 1988 issue of *Toronto Life*.

• (1320)

It is possible that the Tories have arrived at where the Liberals were in making a grant like that. It is also possible that they are even falling farther behind in other ways. The Liberals, at that time, were reducing the funding for English as a second language in places like George Brown College where it was taught with professional qualifications, and handing the funding instead to people with no track record in teaching English as a second language, but with reliable Liberal Party connections. But now the Tories are cutting out their program of citizenship instruction and language training, CILT. They have cut it 50 per cent and announced that next year, 1990, it will be cut totally. This particularly hurts immigrant women.

We have had too many years in which ESL and FSL grants were handed out to some immigrants on the grounds that they were destined for the workforce and withheld from others, mostly women, on the grounds that they were not destined for the workforce. Of course, that means that no housewife does any work. There is no work to cleaning the house, making the supper or raising the kids. It also ignored the fact that many of those women did not get even what this department would call work. They worked in factories in cities like Toronto or they worked as domestic cleaners in the houses of more affluent people. But they were denied the opportunity that was given to some to study the English language. Now the CILT program is to be cut out entirely. There still is the employment-related one, but it is not nearly good enough.

What I hope is that if this bill goes to committee, as it should—I understand the government is talking closure. Perhaps it wants to drive the bill through in case it gets looked at too closely. But I hope it will get a very thorough look in committee. I would like it to focus on the existing forms of white racism, racism by people who are white like me against people who are not. That has never been fully acknowledged in Canada and we have corpses to prove it, not only in Toronto, but in many other places, corpses of people of colour, including some of the First Nations, whose treatment cannot be rationally explained except on the basis of systemic, habitual or institutionalized racism. That is not an easy thing to overcome. It would shake the foundations of some of our deepest patterns in some of our institutions.

There is something this government could do in very short order. It would not correct racism *per se*, although it would ameliorate it a little bit. It would not end all conflict between ethnic groups, but it would do much in a few years to remove the basis of the conflict, and that is to provide instruction in English as a second language, or in French as a second language, to every immigrant old enough to receive such instruction and requiring such instruction.

We have our jokes about our cousins from Glasgow and other parts of Scotland, but until they ask for instruction in English, they probably would be insulted if we gave it to them.

I would hope both of those points will receive heavy consideration if this goes to committee, and I certainly hope it goes to committee.

Mr. Nunziata: Madam Speaker, it is interesting that the member started to comment about racism and discrimination in Canada. I would like to commend him. At times, it seems to me, he went a little too far in suggesting that some of the very tragic events in Toronto were race related, even though a number of people have gone so far as to suggest that.

I do not think one has to go to that extent with respect to the killings in Toronto of blacks by police officers. One only has to look here in the House of Commons, across the way, if one wants to cite examples of racism and discrimination. There are members from the Conservative side of the House who are actively seeking and circulating petitions asking the Government of Canada not to allow Canadians of Sikh origin to be members of the Royal Canadian Mounted Police. That is the net effect of their objection. They are saying that it is improper and unacceptable for Canadians of Sikh origin

to wear their turbans while members of the Royal Canadian Mounted Police. There are people here in the House of Commons exhibiting an abysmal ignorance and an abysmal and shocking degree of discrimination when it comes to talking about participating.

I would like the member to comment. Just a few moments ago, the minister of housing, who spoke one tune when he was on this side of the House—that is as a person outside of cabinet—and is speaking another tune when he is in cabinet, went on for a period of time, to the applause of some of his colleagues on that side of the House, about the first government to do this and the first government to do that. But he did not comment about his colleagues circulating the petitions. He did not comment about what is the actual track record of this government. I would like the member from Trinity—Spadina to expand a bit on the track record of the government.

It is fine to talk about affirmative action and about pay equity, employment equity legislation. It is fine to talk in words, but one has to examine the actions. The bottom line was confirmed by the Secretary of State for multiculturalism just a few weeks ago when he was speaking to Conservatives gathered here in Ottawa at a national convention of their party. He said something to the effect that Conservatives view ethnic communities with distrust and disdain. Perhaps it was the other way around, perhaps it was the ethnic communities that were viewing the Conservative party with distrust and disdain.

But the fact remains that when it comes to general elections the overwhelming majority of Canadians of origins other than French or English vote for the Liberal party. That is because the Liberal party has been leading on the issue of equality. It was the Liberal party that gave Canada the Canadian Charter of Rights and Freedoms that enshrines in our Constitution the equality of each and every Canadian.

You have indicated that my time for commenting is expiring, Madam Speaker. I would like the member for Trinity—Spadina to comment further on the track record of the Conservative government when it comes to equality among all Canadians.

• (1330)

Mr. Heap: Madam Speaker, I thank the hon. member for leaving me a few seconds. I want to comment on what I think is a more serious matter in relation to the Sikhs, and that is the action of the Secretary of State for External Affairs in writing to the then Minister of Employment and Immigration to urge him, apparently successfully, to change the established procedure for determining the status of a refugee claimant. A Sikh from India who had claimed refugee status here had been recommended after due process by the Refugee Status Advisory Committee, then the responsible body, to the Minister of Employment and Immigration as a refugee.

After the Secretary of State intervened, the minister appointed another committee of people who were not contaminated by any direct knowledge of refugee affairs. They were from the department of immigration but they did not know anything about refugees professionally, and they reversed the decision. The first committee of appropriate people had unanimously found this person to be a refugee. The second committee obediently and unanimously found this person not to be a refugee.

At the same time the Secretary of State was found to be complaining because already two or three out of several thousand Sikh refugee applicants had been found to be refugees. Apparently, from what he said in his letter, as published, this was thought perhaps likely to hinder commercial or other relationships with the Government of India. I think that was a much worse signal than anything else I know of that this government has done on the matter of bias against the Sikh people.

There are other examples. There was the letter urging other government people not to meet with certain groups and so on. But to endanger a man's life by such a dubious process, legally a very, very doubtful process if not plainly illegal, on the basis and in the context of such racism was a very bad example for the minister to set.

On the matter of the turbans, I have not seen the petitions. I have read about discussion of the matter in the newspapers and I think it must surely be capable of being resolved reasonably between the Sikh community and the RCMP, and I hope they will be allowed to resolve it.

Mr. Nunziata: Madam Speaker, the member for Trinity—Spadina also mentioned in passing the letter written by the Secretary of State for External Affairs. I would like him to comment a little further about a letter that was sent to provincial premiers urging premiers and politicians at other levels of government to boycott, not to attend, events put on by certain groups in Canada.

When questioned about that particular letter here in the House of Commons, the minister did not have a justifiable or reasonable explanation as to why as a minister of the Crown, the Secretary of State for External Affairs, he would be asking colleagues in this House to boycott legitimate groups in Canada, namely several Sikh organizations in Canada which have done nothing wrong and are legal and legitimate. Why would he ask people to boycott them? Would he suggest, or would the hon. member for Trinity–Spadina comment on whether he believes that that might be a further example of a level of discrimination on the other side of the aisle.

Mr. Heap: Madam Speaker, I am glad the hon. member heard some of what I was saying. I will repeat the rest of what I said on that. Yes, it is an example of discrimination, as I said a few minutes ago, from the other side of the aisle, as he calls it.

I could enlarge on it a little bit. I received a letter from the hon. minister cautioning me after I had met with a certain group. Now it did not forbid or anything like that, but it said "please get in touch with us before you go to speak with such a group". I regret that the matter was treated as though it were confidential. I do not particularly relish the idea of being given reasons why I should not meet with a group and then being told not to tell anybody. I wish he had put the reasons in his letter. I have since met with other Sikh groups and will continue to do so, but I really think the minister ought to clear up his position on that point if the government is going to have a credible Department of Multiculturalism.

The Acting Speaker (Mrs. Champagne): Resuming debate, the hon. member for Eglinton—Lawrence.

[*Translation*]

Mr. Joseph Volpe (Eglinton—Lawrence): Madam Speaker, I am pleased to take part in the multiculturalism debate today. I have just listened to many very interesting statements and speeches on the topic and subject now under consideration. Personally, I prefer to begin in French and continue in English and maybe later, I might say a few words in Italian, because I consider myself, like some of my colleagues, a symbol of this multiculturalism that we are talking about today in philosophical and practical terms.

[*English*]

It gives me great pleasure to be able to address the essence and soul of Canada with this Bill C–18, an act to establish the Department of Multiculturalism and Citizenship, even though the designation should be vice versa. To date from this government we have been given merely a callous display of the government's economic philosophy, that is up to today. It is an elementary market economics where *laissez–faire* prevails, but then only in circumstances decreed by the Conservative agenda as befitting of a continental sweep under which all matters economic must, by force of magnetic or deliberate policies, push and pull Canadian citizens into the orbit of a state whose greatest claim to historical fame is the amassing of unprecedented military and economic power at the expense of numerous nations, peoples and values.

These values need to be re–examined periodically if we Canadians are to keep our sights on a vision that will set us apart from our sister nations as a people whose definition of the human condition is a cut above the others.

It would appear that we lack neither the qualities nor the ingredients for we are at the very least capable of saying the right things. As an example, we pride ourselves on our multiculturalism policy. We have heard much of that today. In fact, today we propose to establish a department to deal exclusively and singularly with all matters multicultural.

Before asserting that we are on the road to salvation or on a road to perdition on the matter, I think it behoves us to cast a momentary, though not casual, glance at what multiculturalism means. I caution, not what the nay sayers in our midst would have it mean, that the aim that the word was intended to stimulate as a goal for which all citizens capable of its achievement could rightly be conferred the adjective "great".

Multiculturalism, so simple a word, so profound its concepts. Cultures, different, unique, each in its own way, none superior or inferior to the other, existing in harmonious, productive interaction; each confident and secure in its values—defined and reshaped in continuous manner, in contact and interplay with others, in a changing environment which hones values tried and true and nurtures on tested, applicable new ones.

The main tenets, the main principles embodied in multiculturalism are familiar to all whose historical perspectives go beyond the mere parochialism of personal experience. For that in a global, international context is surely as inhibiting and as restricting as it is limiting.

Let me make clear that when we speak of multiculturalism we are not breaking new ground, by no means, by no stretch of the imagination. The concept of equality among all men, all women, universal brotherhood, the rule of law in western civilization is not new to Canada. They date at least as far back in history as Alexander the Great in the 4th century BC, pre-Diaspora Israel, and in more recent times to the emperor Caracalla in the 3rd century AD when with a single stroke he bestowed citizenship upon the several and disparate parts of the Roman Empire, thus giving equality before the law, equality of access to decision making without—and this is important—*a priori* transformation into something else.

• (1340)

Thus we could see in an historical perspective that one could acquire Romanitas without being a Roman. One can become Canadian without having been born here. An individual in the past, as today, could retain his traditions, do business, participate in the local or larger economy, enjoy the privileges of citizenship, fulfil the obligations incumbent upon a holder, and yet not give up his or her identity religious, cultural, linguistic. He or she needed only obey the laws which he or she could shape.

I could easily in that description have referred to our own country Canada—citizenship, the rule of law, tolerance, brotherhood, multiculturalism. It seemed then as now a logical solution to problems emerging when different races with unique religious backgrounds and the *modi vivendi* that emanate from them, with different needs, aspirations, with peculiar social units and economic organizations for their realization, were brought about and brought together. A *lingua franca*, though not indispensable, facilitated the functioning of the marketplace and the exchange of both ideas and culture.

Multiculturalism, by its definition, encourages and stimulates that exchange in a non-threatening environment. It does not confuse culture with language, but it recognizes that language both as an extension and as an expression of culture is the vehicle for finding common values that transcend different cultures. Language bridges and opens doors to peoples, to markets, to ideas. It does not set apart nor does it exclude or seclude.

Canadians face the unhappy condition of being governed by a party that has blurred the distinction between culture and language and in fact has come to equate the one with the other, all to great detriment. It has downgraded the word "culture" to a national or racial designation and has caused Canadians to seek security of being in the refuge of assimilating, voluntarily or otherwise, in the so-called cultures of the two main language groups, an exercise, as some of my colleagues to my left have noted, that has had the effect of marginalizing Canada's visible minorities in particular. This ethnoculturalism is not multiculturalism.

Any noble Canadian worthy of the adjective should react vigorously against the deliberate refutation of the realities of a new and expanding Canada. To say one believes in multiculturalism is merely to accept what is; a thriving expression of the ultimate definition of individuality grouped in as small or as large units as per individual preference, living according to values commonly accepted by those units and sanctioned by the acquiescence of a duly constituted larger jurisdiction.

As an example, Europe, whose countries and peoples have histories dating back as far 1000 BC, is now realizing that one builds on common ideas, on common needs, on common experiences and that differences are valuable and can be reciprocally profitable conditions that should be nurtured rather than legislated away.

Where are we going by way of contrast? Legislative, attitudinal or systemic discrimination are too ephemeral in their results, too energy consuming in their efforts, to interest our talents, and we squander opportunity.

Yet, as a country we have the tools to be proactive, and aggressively so, if only we through our government would seek out those with open minds to be the custodians of our emerging culture, to be the proponents of a sociocultural philosophy that would make us the lighthouse of social organization in this world.

Look for a moment at the ministry of culture and its dependent Crown corporations, councils, agencies through which we nurture those English and French elements that some would have us believe are mainstream culture. I notice that my colleague from Scarborough Centre, who is at one with me on these issues, is dutifully paying attention and I thank her for so doing.

Look at the ministry of communications and the implements through which it disseminates bilingual Canadianism. Again, mainstream and exclusive.

What a puny little brother beside these Anglo–Franco giants is this little sop to speak for Canada's official multicultural policy. What a testament to this Tory party's rejection of the validity of multiculturalism as anything more than a trite, token recognition of the existence of an inferior folk who comprise that one–third of Canada's population, the only growing portion of the population whose contribution and role in nation building will persevere in spite of the regressive small minds who refuse to accept the inexorable tide of progress.

I am pained to admit that for the disdain with which the government accords this pitiful and reluctant gesture the new Canada will wrest from its hands those tools of nation building which its small mindedness clutches so jealously. Would that the minister who proposes this legislation could have been more forceful in his cabinet we would have need of such advocacy. He might have convinced his government that the occasion for progress was not of the passing.

The ethnocultural communities do not need a special department to represent them, even if the principle of multiculturalism still does. But those communities will accept this condescending administrative token to their cultural uniqueness and recall with methodical anger the manner in which the minister has thus trivialized that uniqueness as his government goes about destroying our country through language debates and constitutional reform that is expected to enshrine established position.

Mr. Holtmann: That's absolute nonsense.

Mr. Volpe: I know the member opposite will probably be interested in the rest of the speech because it will be a lesson for him to take to his committee as chairman of multiculturalism or as the new cultural car.

How illusory, how unfortunate, how tragic, how foolish to engage in cheap partisan gamemanship without making even the slightest effort to acknowledge that multiculturalism is first and foremost—are you listening—about culture, about Canada, about how Canadians see themselves, how they define their values, how they shape their identity.

To relegate these values and identity to folklorish song and dance is to deny history and to insult the great traditions and heritages; legal, literary, philosophic and artistic contributions of a substantial portion of our population to the history of mankind.

Once culture was thought to indicate a level of learning and sophistication not commonly evidenced; in short the ability to see beyond the meagre horizons of mundane needs, the ability to approach godliness by creating or refining an expression of the human condition, a condition that transcends the individual histories of people everywhere.

• (1350)

Respect for those histories is being subordinated to the pressures that an insecure people impose on others to assimilate, to efface one's identity in return for yet another's as a sign, perhaps, of homage or fealty to some vague, self–proclaimed superior culture in the name of national identity.

Insecurity is a shaky foundation for any identity. One does not acquire Canadianism by becoming anglophone or francophone, by changing one's name, or by denying one's heritage. An early 20th century playwright philosopher, Luigi Pirandello, said it best in Italian when he said: "*Cosi è se vi pare*", and in English: "You are what others see you to be".

I am proud to be identified for what I am—Italian Canadian, for I am the sum total expression of the experiences of my parents and all of my ancestors, experiences of 3,000 years of historical achievement through which they have learned from and internalized the experiences of great civilizations of this globe—the Oriental, Indian, Hellenic, Hebrew, Egyptian, Arabian and others. Look at the talents and energies that people from these areas bring to our country. Should they apologize for the fact that their historical perspective is measured in millennia rather than in decades?

The focus of our multicultural policy should be to integrate these prodigious experiences and talents into our mainstream. They are in fact our culture. We can do that only if we acknowledge their merit and allow individuals with proven merit from their midst to take leadership roles.

The economy and the arts have witnessed their immense productivity and impact. Politics, bureaucracy and the national media will surely follow—fifth columnists notwithstanding.

Our government should be setting an agenda wherein multiculturalism as the operative ethos permeates all levels of government but at the very, very least the ministries of culture and communication. It is an ethos that would both integrate newer Canadians, showcase their heritages and provide expression for their talents and merits.

We are offered a distant second best with this department, but Canadians of origins other than English or French are accustomed to building on scraps.

[*Editor's Note: Member speaks in Italian.*]

As the government continues to bog itself in the centuries old language wars the rest of us will continue to construct a Canada in which all Canadians will share proprietorship equally, equality based on the acceptance and promotion of a multicultural ethic.

Ms. Mitchell: Madam Speaker, I would like to ask the member who just spoke to clarify the confusion that certainly is in my mind, and I imagine it is in the minds of other people, about the Liberal position on this Multiculturalism Act.

Earlier today we had I think three Liberal members from the Toronto region who seemed to be opposed to the idea of a multicultural department. In fact if you carry their thinking a little bit further it seemed that they were opposed to multiculturalism, period. In one case they saw this as something that would perhaps reflect heritage issues. A couple of them said that they felt this would ghettoize Canadians who were not from either French or English speaking origins. One member in particular felt that we should not have a separate ministry of multiculturalism but that this should all be under the Department of Communications. He also seemed to suggest that racism and job discrimination against visible minorities would just disappear by some magic. In my party's opinion, this is one of the main needs and should be one of the priorities of a multicultural department.

I would like to ask him whether he agrees with their opinion. I gather from what he said that he does not. He was complaining that the multicultural department was not strong enough, that it was really just token recognition of a third of Canada's population, I think he said. I am confused and I am sure the public is from the point of view of what is the Liberal position. Does he agree with the speakers who spoke earlier?

Mr. Volpe: Madam Speaker, I thank the hon. member for the questions. They were very craftily put with very wise insight into the questions themselves.

I am not sure that we need to trivialize the discussion further by highlighting the fact that there are various opinions on the various aspects and components of multiculturalism and about this bill, because this bill has given rise to an opportunity to debate the issues, to debate all components and aspects of multiculturalism. You quite rightly alluded and pointed to the fact that many of us, unfortunately, have begun to equate multiculturalism with racism or with multiracism. It goes much beyond that.

It is a fact of life that there are many who have a different origin than another and have a different colour than another. None of that should stand in the way of progress and in the way that we deal with each other. None of that should stand in the way of people developing policies and having access to government, access to bureaucracy, having delivery of services, having delivery of a vision of Canada that applies to each and every one of them individually and collectively in the way equally that it applies to all others.

And so when you ask me what is the position of the Liberal Party, it has been one that has been open to the infusion of new ideas. It has been one that has been open to the infusion of criticism.

My own personal view, and I gave it to you, was that this particular bill does not go nearly far enough. I made some suggestions, and I thank you for having listened to it as well, that the minister should take our directions into his cabinet and indicate strongly to all cabinet members that this is not simply an issue of multiculturalism, an esoteric definition that we file away in a library, but that it is in fact an explanation and an indication of the directions that should guide all of our policy makers, be those policies in the economic domain, be they in the cultural domain, or in a social domain.

The most important part is to recognize just what are the needs of Canada, what are the needs of all Canadians. This party has continually worked on making sure that the definition and the system by which we arrive at such conclusions have always received the analysis and the scrutiny that they merit. We are not dealing with trivial matters.

We are dealing with the soul and the essence of this nation. For those of us who are looking for the definition of Canada, we offered it up today. I was glad to be a part of that debate because it gave me an opportunity to shape that definition if even ever so slightly. I thank the member for drawing the public's attention to the fact that the Liberal party has always been in the vanguard of honing that type of definition, of developing that kind of contact and of developing as well the resources and the abilities of politicians and the political system to address the needs that are what they ought to be, and that is to make government function for all those who sustain it, for all those who co-operate in developing that process which creates a government and a political body.

To the hon. member who has attempted to focus a direction and a purpose to where all of these debates would lead, I know that her party favours the kinds of decisions that we have acclaimed today. I know that her party along with members opposite would love the opportunity to continue to debate exactly where we should be going because there are many, many vacuums that have to be filled in this particular bill. While we accept it as a sop—and I said that deliberately—it is but that we must go from there to build and to build even further in order to provide for Canada that basis, the foundation from which we can go into the next century.

The Acting Speaker (Mrs. Champagne): Is the House ready for the question.

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): It being 2 p.m. the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. 0. 31

• (1400)

[*English*]

CAMBODIA

Mr. Robert Wenman (Fraser Valley West): Mr. Speaker, I have just returned from Cambodia, a nation plunged again into civil war, a nation just beginning to recover from the 1975–79 slaughter of an estimated two million men, women and children under the barbaric Pol Pot Khmer Rouge Party.

This time, the blood of thousands of Cambodians will be on the hands of China and the west, including Canada. Canada continues to support the Khmer Rouge at the United Nations, has remained silent as China has resupplied and rearmed the Khmer Rouge, supported the return of the Khmer Rouge to power sharing in Cambodia, and gave $1 million in aid to resistance forces in Thailand after various NGOs and United Nations officials admitted the United Nations has oversupplied these camps which, in turn, supply the Khmer Rouge soldiers and the black market.

While I appreciate that the Secretary of State attended and participated in the Paris Peace Conference, Canada's policy toward Cambodia is at least morally wrong and probably politically wrong as well.

* * *

CANADIAN CORPS OF COMMISSIONAIRES

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, it is my distinct honour and privilege to rise this afternoon to pay tribute to the Canadian Corps of Commissionaires.

These dedicated men and women have served in a branch of Her Majesty's active regular forces, the Canadian forces, the Royal Canadian Mounted Police, or were members of allied nations who served with Canadians in time of war.

I can attest to their outstanding service to the country, in the provision of dignified and purposeful employment for those who have already served their country and wish to continue to do so. Their pride and camaraderie sets an excellent example and the value of this quality to the rest of our country and their respectful rapport with the public has become a time-honoured institution in Canada.

I know I speak for the right hon. Leader of the Opposition and, indeed, for all my colleagues in paying tribute to the Canadian Corps of Commissionaires on their fiftieth anniversary.

* * *

NATIONAL FAMILY WEEK

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, this week, October 2-8, 1989, marks the fifth National Family Week to be celebrated across Canada.

National Family Week gives every Canadian an opportunity to acknowledge the efforts of all family members who show concern and care for each other.

Few among us would deny the importance of the family as a social unit. Although the role of the family has evolved along with contemporary society, it remains the most basic social structure of our time.

In four short years National Family Week has grown from an imaginative idea to a full-fledged nation-wide celebration. Take advantage of the opportunity for the growth and discovery that National Family Week represents.

* * *

FISHERIES

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, yesterday the Parliamentary Secretary to the Minister of Fisheries and Oceans referred to the appointment of Don Tansley as a replacement member on the free trade panel studying landing regulations for B.C. salmon and herring.

The Canadian chair of the panel has the right to decide whether or not to reconvene the panel and hear evidence. Can we assume from the parliamentary secretary's comments that further hearings will be held?

There are thousands of British Columbians, 70 per cent of whom are women, many of these of visible minorities, who will lose their jobs if the final decision goes against Canada. As well, Canada will lose its sovereign right to control its own resource.

It is essential that this government stress in all future hearings the importance of controlling our resource. We must maintain B.C.'s well-earned reputation for the quality of our salmon and herring products.

We must protect our investment in the most modern and efficient processing facilities in the world. We must do all within our power to protect the jobs of thousands of British Columbians working in our fish processing industry.

* * *

[*Translation*]

AIR CANADA

Mr. Guy St-Julien (Abitibi): Mr. Speaker, for months, those involved in the economy of Abitibi-Témiscamingue have been trying through CRDAT to meet with Air Canada executives on the future of this carrier in the region.

Without consulting the people of our great region, the President of Air Canada and his gang of high-flyers in their ivory tower in downtown Montreal decided yesterday to send letters and press releases announcing that Air Canada would stop serving Val-d'Or and Rouyn-Noranda, Québec as of February 4, 1990.

As a remote region, we are entitled to receive the best possible service; for us in northern Québec, the DC-9s are what highways and subways are to the South.

Mr. Speaker, I am sorry to see these employees whom I have known for 20 years leave with their families and children and I urge Mr. Jeanniot to reconsider his position and come and see us in the Abitibi.

S. O. 31

[*English*]

BILL C-21

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, as a result of Bill C-21, the government's bill to cut unemployment insurance benefits, Newfoundland will lose $82.7 million; Prince Edward Island will lose $15.5 million; Nova Scotia will lose $42.1 million; and New Brunswick will lose $64.8 million.

The Government says that this money, money that was set aside to help the unemployed buy their groceries and pay their rent, will be redirected to development and training. But there is no legislative provision in the bill that this money will go back to those provinces from which it is taken.

Why does the government not amend this bill to ensure that the $800 million taken from the unemployment insurance fund for development will go proportionately to those provinces where there is the highest unemployment in this country?

* * *

PROPOSED GOODS AND SERVICES TAX

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, the people in Elk Island recognize that Canada's deficit and national debt are serious problems. We all know that fighting the deficit is not an easy job. We know that we cannot leave this burden for our children to deal with in the future. We must do something now.

Over the past several weeks much has been said in Elk Island about taxation. People have told me that we are taxed too much. If we must change the federal sales tax to fight this monstrous deficit, if we must accept the GST, then let us make sure we cut spending too.

The Canadian Government must make some tough management decisions—cut out the waste, cut out the inefficiencies, reduce spending, and improve the tax system.

Let us work together to reduce the deficit. Let us all work together in this country to build a stronger economy. Let us work together to build a better Canada.

SENATE REFORM

Miss Deborah Grey (Beaver River): Mr. Speaker, I wish to draw the attention of the House to a tremendous political development taking place in my province of Alberta. After more than 100 years without any action on meaningful Senate reform, the government and people of Alberta are taking action.

On October 16, Albertans will go to the polls to elect the nominee for the Senate vacancy. Six outstanding Albertans are contesting the position, including my party's candidate, Reformer Stan Waters.

A handful of Tory MPs and cabinet ministers have seen fit to fight against this process and the entire spirit of true Senate reform. But I am confident that the Prime Minister will join the political pioneers of Alberta and endorse this action by appointing, without delay, the first Senator ever to sit with the consent of the people.

* * *

REGIONAL DEVELOPMENT

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, for all the fine words we have been hearing from the Prime Minister concerning how much he and his government are doing for Atlantic Canada, the truth is that the government's policies are short-changing the region and reinforcing regional disparities.

[*Translation*]

According to a study conducted by the Economic Council of the Atlantic Provinces, federal government funds for industrial assistance have declined steadily since the Conservatives took power in 1984. Furthermore, in 1987, the amount of these subsidies fell below the national average.

In 1980, Atlantic Canada received $2 billion in federal aid compared to $4.4 billion for the rest of the country. In 1987, they received only $631 million while the rest of the country received $8.2 billion in federal aid.

[*English*]

Is this what the Prime Minister means by regional development, Mr. Speaker? How can the Prime Minister reconcile this sad truth with his repeated statements that the Atlantic provinces have never had it so good?

Well, Mr. Speaker, under this government Atlantic Canadians have never had it so bad, and they have never been short-changed so much. Numbers don't lie.

* * *

• (1410)

SOUTH KOREA

Mr. Bill Vankoughnet (Hastings—Frontenac—Lennox and Addington): Mr. Speaker, I pay tribute today to the Republic of South Korea as it celebrates its national foundation day.

It was not long ago that Korea and its impressive capital of Seoul were the very picture of devastation as a result of conflict which tore apart a people and culture as ancient as history itself. The Republic of South Korea has now developed a political and economic growth which is making it the envy of the world.

The Canada-Korea Parliamentary Friendship Group believes that closer co-operation with South Korea as a valued partner in our Asia-Pacific diplomacy is a worthwhile result. As chairman of the group I speak for all members in extending congratulations and best wishes to the national assembly and people of South Korea, and our thanks to Ambassador Park and his excellent staff at the embassy for all of their support and co-operation, with sincere wishes that our countries continue to enjoy good relations in the years to come.

* * *

POVERTY

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, yesterday I rose in the House to acknowledge Family Week and to note that 1.2 million children in Canada live in poverty.

Today I rise to draw the attention of the House to the results of an inquiry into hunger in Regina released yesterday by Mayor Doug Archer. This report noted that in a community with a population of 180,000, 5,500 meals and 6,000 boxes of food a month are distributed by community groups.

It is easy to write off numbers. It is easy to blame the poor for their plight. But the reason they are poor is that they do not have work or money to buy food. Surely, no one here honestly believes that a family would go hungry if it could afford to buy food.

The House must be shocked to learn that 34,000 people in Regina live below the poverty line and are hungry—34,000 people in the heart of the province that is the bread-basket of the world.

* * *

INDUSTRY

Mr. Girve Fretz (Erie): Mr. Speaker, the *Times Review*, a newspaper in my town of Fort Erie, headlined a story this way, "Fort Erie booming", and continued, "This community is building its way to record heights." Building permits to the end of August totalled a record setting $32,359,000. This tops the town's 1988 figures of $26.4 million for 12 months.

The Niagara corridor is strategically positioned to benefit from the free trade agreement. Half the population of North America is within a one day's drive of the Niagara peninsula. This represents tremendous opportunities. The free trade agreement has helped to stimulate the great growth that we are enjoying.

* * *

MULTICULTURALISM

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, the Minister of State responsible for Multiculturalism made what Canadian Macedonians believe to be offensive remarks.

This summer the minister attended a conference in Greece hosted by the Pan Macedonian Organization where he said, among other things, that there is no Macedonian nation.

Does the minister not realize that to deny the distinctiveness of the Macedonian community in Canada is a serious affront to this group? Will the minister apologize for this statement?

* * *

CANADIAN CORPS OF COMMISSIONAIRES

Mr. W. C. Scott (Victoria—Haliburton): Mr. Speaker, today I want to pay tribute to the men and women who continue to serve this country so well in uniform, members of the Canadian Corps of Commissionaires. We, who work in Ottawa are particularly aware of the courteous, efficient presence of the corps. Our government buildings are kept secure by those smartly dressed uniformed men and women.

Hon. members probably know that the corps members must be former members of the Canadian Armed Forces, the Royal Canadian Mounted Police or our allied forces.

Today, the Corps of Commissionaires has over 11,000 members in 18 divisions across Canada.

This year marks the fiftieth anniversary of the Ottawa division started in 1939 with just four members. It now has a strength of 2,200, and is the fourth largest non-government employer in Ottawa.

I know the House will join me in congratulating the Ottawa division on 50 years of super service and in sending our best wishes to all commissionaires across Canada.

* * *

THE ENVIRONMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, this House held a long and serious emergency debate on Canada's state of preparedness to deal with marine spills and particularly those of crude oil. This resulted from the tragic Nestucca and *Exxon Valdez* spills and the continued deterioration of our marine environment from chronic unreported spills.

Rather than hold a full public inquiry, the Prime Minister chose to spend millions of dollars on a review. The interim report was released yesterday. It is pathetic. Its 17 short pages reveal just how superficial the mandate and terms of reference really are.

The recommendations reveal a process that will neither seek nor find the kind of solutions required to protect our marine ecosystems. The report operates from the premise that existing technology, ships and barges will simply carry on.

On page 3, the panel states that they are comfortable with their mandate which excludes offshore exploration and development, excludes alternative modes of transporting oil and other chemicals and excludes energy conservation.

The review is a fraud. It is a cover-up of the ghastly and grizzly destruction of a marine environment by shipping firms and big oil companies.

There are solutions, Mr. Speaker, but this panel is simply spraying whitewash on the hull of a rusty supertanker on a collision course. The Prime Minister is Canada's version of Captain Hazelwood.

* * *

[*Translation*]

CANADIAN WILDLIFE FEDERATION

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, last week, a number of Canadians received a questionnaire as part of a public opinion survey on the environment, sent by the Canadian Wildlife Federation.

Mr. Speaker, I think we all agree that this organization is doing very important and very good work.

However, in question No. 12, Canadians are asked to identify five areas on which the Canadian Wildlife Federation should focus in 1989. One of the fourteen areas listed is the following: "Impact of the Free Trade Agreement on the environment".

Mr. Speaker, I wonder what impact the Free Trade Agreement could have and indeed what connection it might have with the environment, since we know very well that the free trade agreement is about trade. The Federation must have made a mistake. I think it is useful to point out that there is a difference between the environment and the free trade agreement.

ORAL QUESTION PERIOD

[*English*]

VIA RAIL

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my question is for the Prime Minister.

Since the return of Parliament last Monday, both the Prime Minister and the Minister of Transport have repeatedly refused to refer the Prime Minister's decision to scrap VIA Rail to the Commons transport committee or to the National Transportation Agency. The Prime Minister will know that the Commons transport committee voted almost unanimously this morning to conduct public hearings on the government's plans to terminate VIA Rail.

Some Hon. Members: Hear, hear!

Mr. Tobin: Six of seven government members voted with the opposition in determining that there ought to be public hearings.

Will the Prime Minister now do the honourable thing and table the government's recommendations on the future of VIA Rail and immediately impose a moratorium on the implementation of those recommendations until the public hearings are conducted by the Commons transport committee and a report laid before the House for consideration by Parliament?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the reference levels respecting VIA Rail and other operations were contained in the budget that was tabled last April.

Clearly, there would be nothing at all, given the parliamentary reform that we introduced, that would have prevented the transport committee of the House of Commons to begin last April to consider any changes that they might have anticipated, or otherwise. This is part and parcel of the concept of parliamentary reform that I as Prime Minister am honoured to have introduced in this House of Commons.

Some Hon. Members: Hear, hear!

Mr. Mulroney: My friend refers to—I think I am quoting him properly—"the Prime Minister's decision to scrap VIA Rail". He may want to wait for a little while to find out whether that statement is accurate or is fundamentally wrong. Because, no doubt, once he receives the facts that would normally dictate his course of action. I would think that the prudent thing for the member to do would be to wait for the decision of the government which will be announced shortly by the Minister of Transport.

Some Hon. Members: Hear, hear!

Mr. Tobin: Mr. Speaker, the Prime Minister has just told the House that he is honoured to have introduced parliamentary reform.

• (1420)

I would ask him to honour the spirit of parliamentary reform by giving the House a commitment today that because a parliamentary committee comprised of members of all three parties has voted nearly unanimously—has said that this item is important enough and urgent enough to warrant emergency public hearings—that he, the Prime Minister of Canada, will impose a moratorium on the cuts to be announced tomorrow or some time very soon, and that those cuts will not be implemented, either the route eliminations or the 3,000 lay-offs, until the public has had a chance to be heard before the Commons transport committee and the transport committee makes its report to the Parliament of Canada. That is the question.

Mr. Mulroney: Mr. Speaker, I understand the point of my hon. friend. I find it a little difficult to understand his indignation. He was a member of a government that wiped out 20 per cent of VIA Rail without so much as a by your leave to the House of Commons. So while I understand the point he is trying to make, I would ask him to cool the indignation because it is really not going to go over in Canada.

With respect to our obligations to manage the government pursuant to the levels that are set out in the budget, this is precisely what we will do. Any parliamentarian or any parliamentary committee is free, of course, to take a look at the proposals of the government.

Our fundamental obligation to the people of Canada and to the Parliament of Canada is to manage the affairs of the nation in such a way as to bring about a much better economic situation, greater economic growth and better jobs for Canada in a more competitive economy. That is precisely what we are going to do. The budgetary implications are an important part of that plan.

So, if my hon. friend or members of the House wish to examine this, they will of course do so, I am sure very enthusiastically. But the Government of Canada is responsible for the conduct of the economic affairs of the nation. We shall implement these decisions and accept the verdict of Canadians at an appropriate time.

Mr. Tobin: Mr. Speaker, the Commons transport committee wants to examine a live VIA, not a dead carcass, which is what will happen unless the Prime Minister imposes a moratorium.

The lesson from Panama this morning is that those who do not respect parliamentary traditions eventually get the boot. The Prime Minister should pay attention.

I repeat my question to the Prime Minister. This morning, members of Parliament specifically charged with the responsibility of overseeing transportation policy in this Parliament, members of the transport committee from all three parties voted to hold public hearings on the future of VIA Rail because they regard the proposed cuts as an urgent matter requiring emergency public sessions.

If the Prime Minister is going to be consistent, if there is a need to allow the Commons finance committee to hold public hearings before proceeding on the goods and services tax, then surely there is a need to allow the Commons transport committee to hold public hearings before proceeding to slash VIA Rail.

Will the Prime Minister give that commitment today, or admit that his commitment to parliamentary reform is hypocrisy in the extreme?

Some Hon. Members: Hear, hear!

Mr. Mulroney: Mr. Speaker, I have done nothing at all that would prevent any committee of this House from being seized of a proposed government course of action, holding hearings and making whatever decisions and recommendations they would like. In point of fact—

Mr. Tobin: Before you act.

Mr. Mulroney: If my hon. friend will wait for the answer—as I have indicated, the reference levels were spelled out very clearly in the budget documents of April 27. At that very moment the committees of the House could have been meeting to examine any proposed course of action.

My hon. friend says the cut is an emergency. Well, any proposed *compression budgégtaires* is viewed by the opposition as an emergency because they have been so used to overspending that they do not understand that the time has come for some sanity in the public finances of Canada.

Some Hon. Members: Hear, hear!

Hon. Herb Gray (Windsor West): Mr. Speaker, I also have a question for the Prime Minister. Canadians will find it hard to see how a parliamentary committee could study the future of VIA Rail before it has the details of the government's plans. There is some logic missing here. The Minister of National Revenue has said the government is going to spend more than $200 million a year and hire more than 5,000 tax police, one for every 300 taxpayers, to help collect the government's new goods and services tax.

I want to ask the Prime Minister, therefore, how can he justify hiring these 5,000 tax police, if he is concerned about government expenditure, and at the same time he is firing thousands of people at VIA Rail. Why doesn't he scrap the new goods and services tax and save VIA Rail?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, the mandate of this government is to make the country a more efficient place to live in as we look toward the future. That is what tax reform, including the move from the existing federal sales tax to the GST, is all about. It is so that future generations can reach their full potential in being able to create jobs and productivity in this country.

In the last four or five months our department has looked everywhere to utilize existing facilities. In order to dispel the figures that have been floating around—those of between 10,000 and 12,000 person years to administer GST—we have been able to bring that figure down to somewhere between 3,400 to 3,900 additional person years in order to provide a service for the taxpayer, particularly the small business community in this country, to make it easier for them to prepare for a smooth launch in 1991.

Some Hon. Members: Hear, hear!

[*Translation*]

PROPOSED GOODS AND SERVICES TAX

Hon. Herb Gray (Windsor West): Mr. Speaker, this is a strange vision of efficiency, hiring nearly 5,000 more public servants as tax inspectors and spending $1 billion over five years.

[*English*]

It is a strange vision of efficiency.

I want to ask the Prime Minister how many of these new tax police will be stationed in barber shops, and taxi cabs, How long will Canadians tolerate this government's spending $1 billion over five years to hire these new tax police to enforce a tax that Canadians don't want? Let's have straight answer.

Some Hon. Members: Hear, hear!

Mr. Jelinek: Mr. Speaker, that question is as misinformed as the hon. member usually is in this House of Commons.

An Hon. Member: Right on!

Some Hon. Members: Oh, oh!

Mr. Jelinek: We are not talking about any tax police. What we are talking about are civil servants who are going to be providing information, who are going to be providing service, who are going to be consulting with the taxpayer, with the small business community, in such a way as to make the transition from a bad tax to a good tax easier.

When the hon. member talks about tax police, that is what was in place when the Liberal government was in power, but not since the new taxpayers' bill of rights came into effect.

Some Hon. Members: Hear, hear!

[*Translation*]

VIA RAIL

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Transport. Last night in committee, the Minister of the Environment indicated it was not his responsibility to do an environmental impact study of the possible closure of VIA Rail. According to him, it was the responsibility of the Minister of Transport. My question is quite straightforward: Did the Minister of Transport do this kind of study?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, there is of course very close co-operation between the Department of Transport and the Department of the Environment on all matters that concern our two departments, on an ongoing basis. As for VIA Rail, I said yesterday that when the Government's decision was announced, we would release a number of comments or decisions regarding various subjects, and at that point the environment would be discussed, and I would advise the Leader of the New Democratic Party to wait for the Government's decision. Then and only then will we discuss the environmental issues.

• (1430)

[*English*]

Mr. Broadbent: Mr. Speaker, some comments are one thing. A comprehensive study is another. I want to address this question to the Minister of the Environment or the Minister of Transport.

In the election last year their boss, the Prime Minister, said:

> We are prepared to subject every federal undertaking and every undertaking on federal lands to a full environmental impact study.

Was there a full environmental impact study done about the possible closure of VIA? Yes or no. Is the government going to live up to its promises in this area. Yes or no.

Mr. Bouchard (Roberval): Mr. Speaker, I said before that any decision dealing with VIA Rail would have to await the announcement. How can we say at the present time, today, that nothing or something will be done about VIA Rail when the decision is not known?

I would propose to the leader of the NDP that he wait for the announcement. At that time he will be able to make any comment about any consideration regarding VIA Rail.

Mr. Broadbent: Mr. Speaker, I will try again. The question concerns the relationship between a comprehensive environmental impact study and the government's decision on VIA Rail. Government, clearly in the words of the Prime Minister last fall, in the words of the Minister of the Environment at the end of January of this year, indicated that before a major economic decision is taken in each and every case an environmental impact study will be undertaken and, if necessary, if the environmental conclusion leads to a negative result for this economic decision the environmental concerns would predominate.

I want to ask either minister today: Will they guarantee that such a study will be undertaken before the government makes up its mind on VIA and that environmental concerns will predominate? That is the issue.

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, clearly the leader of the NDP is not familiar with the federal process on the assessment of the environment.

Mr. Broadbent: I am very familiar.

Mr. Bouchard (Lac-Saint-Jean): I would advise him to read the guidelines. The guidelines provide the government with the obligation to conduct an initial study and then for the responsible minister from the initiating department to make a decision whether to request more studies.

When the initiating minister is satisfied with the study which has been conducted he can proceed. This decision has been made by the Minister of Transport. He will announce at the same time as the plan how he will cope with the environmental impact. Let us wait for that.

Mr. Rex Crawford (Kent): Mr. Speaker, my question is for the Minister of the Environment. Cars produce nine times more ozone pollution than a train so he knows that fewer trains equal more pollution choking our nation.

Vancouver, Windsor, Quebec City, and Saint John, New Brunswick already have the worst ozone problems in Canada. Last year federal ozone guidelines were shattered 157 times in Toronto, and 189 times in Windsor.

In light of this clear evidence, will the minister make the environment a first thought and not an afterthought and have a full environmental assessment before any VIA cut-backs?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, this government and my department have made sure in all circumstances that the environmental review process has been respected in every phase. This is the same in all the megaprojects. The same thing has been applied to the Goose Bay PCB destruction. The same thing has been applied to nuclear waste. With this government we now know what environmental assessment is.

As far as VIA Rail is concerned, the minister has just said that he will satisfy the House with the full respect of the requirements of the environmental review process. He has instructed his officials to make the initial required study.

When he announces the VIA Rail plan he will inform the House and the people of Canada how he will cope with environmental aspects.

When we talk about the railway people must draw a distinction between a railway going across the country without passengers. This is a way of polluting the country for nothing. We must make the right decision now.

[*Translation*]

Ms. Sheila Copps (Hamilton East): The booby prize goes to the Minister of the Environment who doesn't know what the word environment means. He isn't even willing to protect VIA Rail.

I want to ask him personally whether he knows his own legislation.

[*English*]

Maybe the Minister of Transport should listen for a moment because his own environmental legislation states that a self-assessment process must be undertaken by the initiating department before irrevocable decisions are taken as early in the planning process as possible.

The Minister of Transport has admitted here in the House today that no environmental assessment process has been undertaken by his department. He said it was going to be undertaken after the decision was made, which clearly breaks his own law.

Given the fact that the Minister of Transport is breaking the law in moving with VIA cuts without having done the proper assessment, will the Prime Minister follow through with his own promise during the election campaign that on any development, any project, any program, we will make its environmental consequences as fundamental a test as we now apply to economic feasibility?

Why doesn't the Prime Minister live up to his own words? Were they mere hollow words when he stated them? Did he say them just to win the election? Was that his real game?

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I will not repeat what was said by the Hon. Member of Hamilton East. It is quite unnecessary, since the House is so used to hearing this sort of thing. I simply want to say and I repeat what I told the Leader of the New Democratic Party, that I think it makes sense to wait for the announcement to be made by the Minister of Transport, to determine the environmental implications of that announcement. When we make our announce-

ment, we will provide information on a number of subjects, including the environment. So I would ask the Hon. Member to be patient and wait for the announcement. I did not say we wouldn't do anything, but if she is patient, she will know exactly what the situation is.

* * *

PROPOSED GOODS AND SERVICES TAX

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Minister of Finance. In his Budget Papers, the Minister of Finance said that the Government intended to downsize the Public Service, increase its efficiency and reduce payroll spending. The Minister told us this in his Budget Papers. Yesterday, the Minister of National Revenue announced they would hire an army of federal tax inspectors who will harass small business people across Canada.

How can the Minister of Finance justify his statement while this kind of money is being spent? All those inspectors are going to cost a fortune. How can the Minister of Finance reconcile what he said with what is happening here?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the hon. member is quite right when he points to the excellent record that we have had in reducing the size of the public service by 12,000 people. In so doing, we have reduced the overhead of the Government of Canada by 10 per cent from what it was in 1984–85. Clearly our record speaks for itself.

My colleague, the Minister of National Revenue, has said that for the new goods and services tax we will need additional resources. He has spoken clearly as to what those resources will be.

I ask the hon. member to consider this one thing. His party is on record as saying we should scrap the existing tax, we should move to a new tax. The member for Ottawa—Vanier said: "a multi-stage type of sales tax sounds to me like an idea which the government should have proposed when it brought in fiscal reform".

This hon. member, his colleague, agrees that we should be moving to a multi-stage type of sales tax like the goods and services tax. I ask him to give me some suggestions as to how they would do it utilizing fewer people than what my colleague has proposed.

• (1440)

[*Translation*]

Mr. Lapierre: Mr. Speaker, I have a supplementary. There is a very easy way for the Minister of Finance to avoid hiring all these people and that is to go back to the negotiating table with the provincial ministers and agree on how this tax should be collected instead of trying to go it alone. The fact is that there have been no genuine negotiations with the provinces, and I suggest that the Minister of Finance, in mid-October when the provincial ministers of finance have their meeting— Is the Minister willing to send them a request immediately for opening negotiations in order to avoid having to hire thousands of new public servants?

[*English*]

Mr. Wilson (Etobicoke Centre): Mr. Speaker, just to put these additional resources in perspective, it is at the low end, by far the low end, of the range of other countries that have this similar type of tax. Colleagues on the other side of the House were saying 10,000 to 25,000 additional person-years when in fact it will be less than 4,000. I think my colleague has done an excellent job in controlling the amount.

The hon. member asks if I am prepared to return to the table with the provinces. The answer is yes, if they come up with a proposal that they can agree on and which their Premiers and their governments will agree on. We have said quite clearly that that is the case. But I have discussed this proposal with them for two years, from early in 1987 until early this year, and we have not been able to come to grips with it, and I have responded in this House as to why.

* * *

VIA RAIL

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is for the Minister of Transport. In earlier exchanges the Minister of the Environment left the impression that an environmental impact assessment had been done on the VIA Rail cuts.

I want to ask the Minister of Transport this question. Is it accurate to say that an environmental impact study was done on the VIA Rail cuts or was it not done?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I will repeat what I have already said twice. I believe that we should wait for the announcement day to know exactly which study has been done and what for. I believe that it is normal to wait for the announcement, and we will answer that question on the day of the announcement.

Mr. Angus: Mr. Speaker, the Minister of Transport should remember that in the spring of this year the Prime Minister said categorically in the House that no such assessment had been done.

What I want to find out from the Minister of Transport is the following. Yes, we will find out when all the reports come down, but the people of Canada want to have an understanding in advance as to whether your government has done the correct work by having an environmental impact study done. Will you indicate yes or no? Was such a study done to test the impact on the environment?

Mr. Bouchard (Roberval): Mr. Speaker, I can only say, wait for the day of the announcement.

* * *

CAMBODIA

Mr. Robert Wenman (Fraser Valley West): Mr. Speaker, my question is for the Secretary of State for External Affairs. The Hun Sen Government of Cambodia has established a free market system and a Constitution calling for multi-party internationally supervised elections and even including the abolition of the death penalty. The Vietnamese have left Cambodia and the government enjoys the support of the vast majority of Cambodians.

What more does the Government of Canada want before it begins moving away from the murderous Khmer Rouge and toward the Hun Sen government?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the purpose of the Government of Canada in Cambodia is to contribute to a circumstance in which the Cambodian people themselves can decide their own futures.

I listened with interest to the hon. member's personal view that the Hun Sen regime enjoys the widespread support of the people of Cambodia. That is far from clear. There has been a Vietnamese withdrawal. That Vietnamese withdrawal is due in part to the fact that Canada, other western countries, and our allies in ASEAN maintained a very strong position over the last several years. We think this is not the time to break that kind of strong position. No one wants anything to do with Pol Pot or the Pol Pot faction of the Khmer Rouge regime. The reality is that the Khmer Rouge commands authority in Cambodia.

When we have been looking, as we did actively through the Paris Peace Conference this summer, for a means by which there could be a coalition government or an interim authority that could speak for all of the Cambodian people we were seeking to minimize the role of the Khmer Rouge.

I can assure the hon. member that I have been following this matter with our allies closely, including most recently in discussions with the foreign ministers of the other members of the G-7 in New York on Thursday night.

* * *

HOUSING

Mr. Harry Chadwick (Brampton—Malton): Mr. Speaker, my question is for the Minister of Housing. The minister has been accused of saying that there is no national housing crisis in Canada. How can the minister justify this statement? Would he clarify these comments for the House?

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, the article in the press referred of course to a poll that had been done in which Canadians were asked to identify their two greatest concerns.

In that poll across the country only 22 per cent of Canadians identified housing as one of their two major concerns, whereas in the city of Toronto area where the hon. member comes from some 43 per cent identified housing as a major concern.

It was in fact my comments relating to that poll that were reported in the press and indicated, obviously, my desire to see many, many more Canadians seeing this as a priority and seeing this as a crisis as I do and as the government does.

PRESENCE IN GALLERY

Mr. Speaker: I wish to draw to the attention of members the presence in the gallery of Mr. Robert Molloy, Minister of Energy for the Republic of Ireland.

Some Hon. Members: Hear, hear!

Mr. Speaker: I also wish to draw to the attention of members the presence in the gallery of Mr. Stanley Nelson, member of the Legislative Assembly of Alberta.

Some Hon. Members: Hear, hear!

* * *

PROPOSED GOODS AND SERVICES TAX

Ms. Mary Clancy (Halifax): Mr. Speaker, my question is for the Minister of Finance. The GST proposal includes a special office allegedly to safeguard consumers against overpricing of goods and services. With a staff of only 20 and no authority to lay charges or to roll back prices this office will be a sham.

Will the minister admit that this government has no real plans to monitor overpricing and is planning to leave Canadian consumers completely unprotected?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the hon. member has got it wrong. We are concerned and I think Canadians are concerned that the savings that are clearly there from replacing the existing federal sales tax with the new tax will result in a cost reduction for a number of businesses in Canada. It is very important that these businesses reduce their costs and reduce their prices accordingly.

We have established this office in the Department of Consumer and Corporate Affairs and given it the ability to make available, through an information program to Canadians, how the change from the old tax to the new tax will affect pricing so that the intelligent consumer can make intelligent decisions about where and how they shop. This particular office also has the capacity to make public any findings of people who are overpricing, and I think that particular power in itself will address the problem of overpricing.

Ms. Clancy: Mr. Speaker, I have a supplementary question for the Minister of Finance. It is clear that Canadian consumers are going to have to be Einstein level to understand this stuff.

The government is going to lead consumers to their fate, and the GST represents an attack on the real consumers of Canada, lower and middle wage earners, and that means women. As consumers women will be taxed for diapers, for drycleaning and for baby clothes. As service sector workers Marjori Cohen of British Columbia predicts that women will lose 100,000 jobs. How does the minister justify imposing such a punitive tax on the women of Canada?

• (1450)

Mr. Wilson (Etobicoke Centre): Mr. Speaker, first I would not agree with anything like what the hon. member has said. Let me just point out to my colleague that the goods and services tax proposal has some very clear elements in the design which will make sure that people in low and modest income brackets will be better off after tax reform.

Let me remind the hon. member that there is a tax credit. There is a very substantially enlarged tax credit which will be paid to those people who are eligible, up to $25,000, and then it will phase out. There will be a middle income tax reduction. There will be an exemption of food. There will be an exemption of other products as well, such as basic groceries. There will be an exemption of a number of other products as well.

In all these ways we are ensuring that those in low income brackets, including women, will be better off after sales tax reform.

* * *

FISHERIES

Mrs. Coline Campbell (South West Nova): Mr. Speaker, my question is for the Minister of Fisheries. With the apparent collapse of the scallop fishery which, had the minister listened to his inshore Scallop Advisory Board, might not be happening, will the minister now listen to the many groups who appeared before the Haché committee and listen to the fishermen who say there is cod and pollack to catch and reopen the groundfishery in the Bay of Fundy and Georges Bank so as to salvage the livelihood of the thousands of people who are directly and indirectly dependent on the inshore groundfishery in southern Nova Scotia?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I certainly do intend to listen, as I always do, to the concerns of fishermen and their representative groups whether through the exercise of the Jean Haché task force or their direct representation to me.

I think it is important to point out to the hon. member and to the House that the scallop fishery has not collapsed, if I were to repeat the language that the member used. In fact the historical scallop catches in the Bay of Fundy of some 300 tonnes were exceeded last year to the extent of a scallop catch of 3,000 tonnes and 2,000 tonnes already having been taken this year.

These are measures of the successful management of the fishery to the benefit of the fishermen in her region in Atlantic Canada.

Mrs. Campbell (South West Nova): Mr. Speaker, I said: "apparent", if the minister had been listening. I can only go by *The Globe*. However my supplementary question is quite serious.

The minister avoided the total context of the groundfishery as it was put. I direct my question to the Secretary of State for External Affairs who is chairing the special cabinet committee set up specifically to look at the problems in the Atlantic fishery.

We have the Minister of Fisheries stating that the fishery has been good on the east coast. His attitude is totally opposite to the reality of the tragedy that is occurring in southern Nova Scotia. It is contrary to the people who appeared before that committee, the municipal leaders, the provincial government, and even now we have a hunger strike started out in front.

However, I ask the minister in charge of that committee whether he would convene that special cabinet committee. Will he look at the reality that the direction of the fisheries management plan is doing to the east coast and the livelihood of the thousands of people who are dependent on the Secretary of State for External Affairs convening the special cabinet committee?

Mr. Siddon: Mr. Speaker, I certainly prefer to base my decisions on facts and not on *The Globe* or whatever other method the member would recommend.

I want to tell the hon. member that, as I do with all fishermen who bring individual concerns to my attention, I met with Mr. Robichaud this morning to discuss his specific personal concerns. This is an example of the kind of human story that we are taking to the special cabinet committee chaired by my colleague, the Secretary of State for External Affairs.

I just want to conclude by pointing out that in the Scotia Fundy fishery alone over the past four years the value of landings has increased by 60 per cent. The number of registered fishermen increased by 30 per cent. If we are having some localized difficulties this year, we nonetheless have a good news story to tell.

* * *

PROPOSED GOODS AND SERVICES TAX

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, my question is for the Minister of Finance.

The minister knows that as a result of his GST Canadians will have $3.6 billion less to spend in the service industry. This means, as an earlier exchange showed, that 100,000 Canadian women will lose their jobs in the service sector.

How can the minister justify saying that the manufacturers' sales tax is a silent killer of jobs when his new tax will do nothing but slaughter the livelihood of 100,000 Canadian women?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, as usual the rhetoric seems to outstrip the truth by quite a long way.

The service sector is one of the most rapidly growing sectors in Canada, and it is a place where the demands for women to work in the future are going to come from.

Let me say as well that women are going to benefit the most, particularly single mothers who are frequently in the workforce, from the credit that goes to people with incomes of under $30,000. If you put this together with the kind of programs that this government has for women around job training and employment equity so that we are raising their standards of living and improving their skill levels, women are going to be better off.

Ms. Black: Mr. Speaker, I shudder to think if the minister really believes that increasing a tax will not decrease women's spending dollars.

Low income families spend over 90 per cent of their income on basic consumption, while families earning over $50,000 spend only 56 per cent. Tax credits, to the contrary, will not cover the cost of this GST to low income families or to women who are low income earners.

Why is the minister forcing low income Canadians and women to bear the burden of his GST?

Mrs. McDougall: Mr. Speaker, let me point out in the first place that it is not in the interests of women that the deficit go up, that interest rates go up, and that the economy goes down. That is not in women's interests.

Over half of the new jobs that have been created since 1984 have women working in them. Their skills are better than they were before and they have better jobs. The sales tax credit is going to benefit women more than any other group. The single parent credit means that the woman gets a credit of $275 and she gets a credit of $275 for her oldest child. We have taken these things into account. If the hon. member insists on telling people this, she is going to raise the alarm level well beyond what it belongs to.

* * *

HUNGARY AND POLAND

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, my question is for the Secretary of State for External Affairs.

In view of the fact that both Hungary and Poland took great risks in implementing more democratic forms of government, and considering the fact that both countries will require immediate and long-term assistance in achieving their economic and political reforms, will the Secretary of State tell Canadians today in this House what assistance Canada is offering to these two countries to help them achieve their economic, social and political goals?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I thank the hon. member for his question. I know all members of the House want to give the utmost of encouragement to the forces of reform and change in both Poland and Hungary.

I am not in a position to reveal the details of the package to the House at this moment because it is still under consideration by the cabinet in meetings that we will be holding this week, but I look forward to being able to make that announcement sometime next week.

I had the occasion last week at the United Nations to meet directly with the foreign ministers of both Poland and Hungary to discuss with them the range of their needs and ways in which Canadians, including private Canadians, including people outside government, can be of help to them in their reform. As the member knows, Lech Walesa will be in Canada as a guest of the Canadian Labour Congress in November. The Prime Minister and others of us will be meeting with him and with other representatives of Solidarity.

* * *

• (1500)

EAST GERMAN MIGRATION

Mr. Sergio Marchi (York West): Mr. Speaker, my supplementary question is for the Minister of Employment and Immigration. Everyone has been watching with fascination and interest the mass exodus of some 25,000 East Germans to the west in the past days.

Given that this migration is the largest movement in eastern Europe in 30 years, and given that Canada has responded to the historical developments in eastern Europe, whether accepting 9,000 Poles in 1982; 12,000 Czechoslovakians in 1968 or 37,000 Hungarians in 1956, what action is the minister and her government taking in response to requests made by Canadian organizations that they initiate a program to facilitate the entry of some of those East Germans fleeing their country into the west.

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I thank the hon. member for his question. I have met with representatives of the East German community in Canada and have suggested to them that this government is prepared to work with them in signing a master agreement as a priority action for private sponsorships in Canada, which does, of course, involve the government in some cost as well. We are going to do everything we can in working not just with the East German community in Canada but in terms of the kinds of provisions that we can make. We recognize the sensitivity of this situation. We have tried to respond to other eastern European interests in the past two or three years and we will continue to do so.

Mr. Speaker: A single question for the member for Saint-Laurent-Cartierville, and a single question for the member for Mission-Coquitlam.

* * *

[*Translation*]

SOLICITOR GENERAL

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, many Hon. Members on both sides of the House are aware of the tremendous work done by Child Find. This organization is responsible for returning 59 children to their families, thus ending the nightmare these families were going through.

Six months ago, this organization presented a grant application to enable it to continue its work. The application was rejected by the Solicitor General and it is still under consideration!

My question is for the Solicitor General and, in his absence, the Right Hon. Prime Minister. Why does the Government not act more quickly in reviewing this application? When can this group expect a reply?

[*English*]

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, perhaps in the absence of the Solicitor General I could take notice of the question as a former Solicitor General myself who began an initiative to help to search for missing children. I recognize the importance of the concern that we should do anything that we can to assist in finding missing children. I will undertake, on behalf of the Solicitor General, that he will study the requests made by the hon. member and give her a response as quickly as possible.

* * *

MINIMUM WAGE

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, in a statement this afternoon I outlined the shameful plight of 34,000 people in Regina who live below the poverty line. A single parent in Saskatchewan working for minimum wage of $4.50 an hour lives $11,000 below the poverty line. That parent would have to earn $9.68 an hour the poverty line. That parent would have to

In view of the statement just made by the Minister of Employment and Immigration, would the Minister of Labour tell Canadians when they can expect an increase in the federal minimum wage, which is currently $4 an hour?

Hon. Jean Corbeil (Minister of Labour): Mr. Speaker, I would like to inform the hon. member that the Department of Labour is continuously examining the question of minimum wage in this country and will readjust it as soon as it is proved to be essential.

* * *

[*Translation*]

PRIVILEGE

Mr. Speaker:I have a question of privilege from the Hon. Member for Manicouagan (Mr. Langlois).

Mr. Charles A. Langlois (Manicouagan): Mr. Speaker, I have a question of privilege further to the comments made by the Hon. Member for Humber—St. Barbe—Baie Verte (Mr. Tobin) and the questions he asked the Prime Minister (Mr. Mulroney) at the beginning of Oral Question Period.

His comments may leave the House under the impression that the Transport Committee this morning discussed VIA Rail as a matter of great urgency and that the Committee's decision to hold public hearings was also made on an emergency basis. That is not the case, Mr. Speaker, since the proposal that the Transport Committee hold public hearings was made by the Vice-Chairman of the Committee in a non-partisan spirit so that Committee Members and the public could express their opinions on VIA Rail.

I would ask the Hon. Member for Humber—St. Barbe—Baie Verte to kindly correct his statement so as not to mislead the public and the House, Mr. Speaker.

[*English*]

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, the member who just spoke and suggested to the house that the decision was a non-partisan decision is absolutely right. Six of seven Conservative members of Parliament in that committee together with all opposition members voted for these hearings. We decided to hold them because we thought the VIA Rail decision was critical and important for the public and we decided, as part of the motion, to hold them as quickly as possible after the announcement was made. That in my mind is an emergency, Mr. Speaker. I have no apology to make.

[*Translation*]

Mr. Speaker: This is not the first time that we are faced with such a situation. The members of a committee have a difference of opinion concerning its activities. This is not a question of privilege.

GOVERNMENT ORDERS

[*English*]

ADVANCE PAYMENTS FOR CROPS ACT

MEASURE TO AMEND

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture) moved that Bill C-36, an Act to amend the Advance Payments for Crops Act and the Prairie Grain Advance Payments Act, be read the second time and referred to a legislative committee.

Mr. Foster: Mr. Speaker, I rise on a point of order which concerns Bill C-36. Representatives of 19 important farm organizations across western Canada met yesterday and called on the Prime Minister to withdraw this piece of legislation and to reinstate the full farm cash advance program. I wonder if the deputy Prime Minister—

Mr. Speaker: The hon. member, I am sure, knows that that is not a point of order. We are in a position where under the rules it is clear that the government of the day has the right to call the order of business, and the government has decided to do so.

Mr. Mazankowski: Mr. Speaker, today the House is being asked to consider a bill to amend the Advance Payments for Crops Act and the Prairie Grain Advance Payments Act. Programs under these pieces of legislation have provided producers of storable crops with interest-free guaranteed loans at harvest time.

The amended legislation, as set out in the bill, will maintain loan guarantees for advance payments that will help promote the orderly marketing of agricultural commodities in this country. Farmers will still be able to obtain the financing they need to carry crops from harvest time to delivery. That means that they can continue to take advantage of marketing opportunities and that seasonal price fluctuations can be smoothed out. Under the Crops Act the advances are administered through producer organizations which have entered into agreements with the federal government. This year we have agreements with 55 such organizations. The advance is extended to the farmer by the producer organization and is repaid by the farmer when the crop is delivered. The government guarantees these advances against default by farmers so that their organization and lenders take no risk.

Under the act covering prairie grains, advances are extended by Canadian Wheat Board through elevator companies. The loans are repaid through deductions on payments received by farmers when the grain is delivered. Again in this case, the government guarantees these loans. Neither the Canadian Wheat Board nor the lenders are at risk. Over the summer, consultations with producer organizations have enabled us to put forward this amending legislation with a number of improvements to the legislation that was originally introduced. I want to thank hon. members for their co-operation in allowing that bill to be withdrawn and to be replaced with this one which incorporates a number of those improvements.

• (1510)

To provide better security the acts will guarantee the payment of interest as well as the advance. If a producer is in default, both the principle and any accumulated interest will be covered. As well, any producer organization that administers the advances is accountable for 10 per cent of defaults on principle and interest on an individual basis up to an aggregate of 2 per cent of all advances made by it.

The Prairie Grain Advance Payments Act will be further amended so that interest rates will be designated by the minister, rather than by regulation. This is already the case as provided for in the Advance Payments for Crops Act. This change will help get advance payments

into the hands of producers more quickly. In addition, the advance limits would be designated by the minister each year up to a level of $250,000. Many producer organizations have requested such action. Previous limits were set at $30,000 for an individual producer; $60,000 for a partnership of two; and $90,000 for a corporation of three or more producers.

These limits were established to control interest costs to the government, but since the government is no longer paying these costs, we can remove these statutory limits and establish new limits set by the Minister of Agriculture.

I would also like to take note here that the Advance Payments for Crops Act is being amended to include oats. We have taken this action since prairie oats are no longer being marketed through the Canadian Wheat Board.

Under the legislation that we are considering today, farmers will still be able to obtain the credit they need to hold crops off the market for whatever period they choose. The principal change is that they will now have to pay interest on the loans taken out. This means that the decision to sell or hold their crop will be based on business principles rather than on the availability of an interest-free loan.

Interest rates will be based on rates negotiated by the Canadian Wheat Board or the producer organizations with the lending institutions. These rates will be significantly lower than what otherwise would be the case if producers or their organizations sought credit independently of these federally secured programs. Farmers acting on their own would generally pay rates anywhere from one to three percentage points higher than that which will be negotiated. It is normal practice for farmers to carry some crop inventories past harvest. Delivery schedules may be staggered or farmers may anticipate that prices will improve later in the year, or it could be to their advantage to delay crop receipts to the next year. These are business decisions and interest charges associated with carrying inventories are expenses regularly faced by Canadian business.

The amendments to the Advance Payments for Crops Act and the Prairie Grain Advance Payments Act will save Canadian taxpayers and the federal treasury about $20 million this fiscal year. Over the next four years the savings will total $100 million.

Everyone is being asked to contribute to deficit reduction. In this case, in a modest way, the Government of Canada is asking the farmers of Canada to contribute in a small way.

Since the government assumed office we have been successful in reducing the deficit from a level of $38 billion in 1984, when we came into office, to a level of $28.7 billion in the last fiscal year, a reduction of almost $10 billion. It is a painful process and it is not easy.

As well, we have slowed the rate of growth of the debt from 24 per cent a year, which was occurring before we came into office in 1984, to a level of less than 10 per cent per year. As the Minister of Finance has indicated, we have reduced the size and the cost of the administration of government. We have reduced the size of the public service. We have taken a number of expenditure reduction measures all in the interest of bringing our revenues and expenditures more into line.

Despite these best efforts, the debt is still outstripping our ability to carry it.

Mr. Milliken: Don't forget the huge tax increases.

Mr. Mazankowski: That is why my colleague, the Minister of Finance, has this past April prescribed some very tough measures in which all Canadians are being asked to share, measures which include this provision which all together will reduce the deficit to approximately $15 billion by 1993 and 1994.

I heard the hon. member say, "Don't forget about the taxes". Well, it really invites me to say something about the Liberal debt that this government inherited, a debt of $200 billion.

Mr. Peterson: What is it now?

Mr. Mazankowski: Mr. Speaker, what is it now? I am glad the member asked that. It is about $350 billion, and the $150 billion is interest on the debt that we inherited in 1984. We have not added one plug nickel to the nation's debt on the basis of program expenditures.

Mr. Harvard: You have been in power five years.

Mr. Mazankowski: What we have been left with is a legacy, a mountain of debt which Canadians are now being asked to service and for which Canadians are being asked to sacrifice. Hon. members can chirp over there all they like. It is not our debt, it is their debt. Unfortunately all Canadians have to pay for their mistakes.

Mr. Peterson: You have doubled the debt in a mere five years.

Mr. Mazankowski: Since the fiscal year of 1987–88, our budgetary revenues have exceeded our program expenditures in each and every year. What has been killing us is the cost of servicing the Liberal debt. It is a Liberal debt and it is a Liberal legacy and Canadians will never forget that.

Some Hon. Members: Oh, oh!

Mr. Nault: You have raised taxes 30 times.

Mr. Mazankowski: Madam Speaker, all Canadians and even Liberals are going to have to face up to this. We must build for the future. We must reduce the debt. We cannot continue to borrow from the future and that is what this piece of legislation addresses. I know that hon. members opposite will oppose it because they have been so used to spending like drunken sailors that they will not take charge of the situation and we have got to take charge.

While these budgetary cuts will have some impact upon the farm sector, it does not in any way suggest that the Government of Canada is walking away from supporting the farmers of Canada. We have a distinguished record in terms of what we have done in the past.

Federal government support for agriculture has been unprecedented since we have come to office in 1984. Direct federal support to Canadian agriculture totalled some $6 billion in 1987–88. Whether it has been drought, whether it has been grasshoppers, whether it has been floods, or whether it has been depressed commodity prices, this government has been there to respond to the needs of the farmers, and we will continue to do that.

We are asking the agriculture sector to do its share and to help overcome Canada's deficit problems. Farmers, like other Canadians, in the long run will benefit from the action we are taking today to put this country on a sounder financial footing. The changes necessitated by the budget must go forward and that is why we are bringing this legislation forward today.

Yes, the producers will have to pay interest, but the guarantees offered them through their producer organizations will allow them to get the cash they need at a better rate of interest.

I know now that the issue is not the interest rate question as much as the fact that what is needed is the enabling legislation so farmers can go out and apply for cash advances under the provisions of this legislation. So there is, indeed, some urgency to the passage of this legislation.

The acts will still help producers store crops after harvest in order to market them later, and this means more reasonable prices at harvest time for other producers and a better average price throughout the year. Advance payments legislation will, as I said, continue to provide significant benefits to Canadian producers and I would urge the members on all sides of the House to consider the urgency of this so that farmers can, indeed, apply for advances and receive those advances in order to make their marketing decisions and in order to calculate their cash flow in an orderly fashion.

Hon. Ralph Ferguson (Lambton—Middlesex): Madam Speaker, the minister has certainly outlined the purpose of this bill, a bill that was introduced in the House of Commons back in the late 1950s by the Diefenbaker government. There is no doubt the government of the time had a lot of foresight and recognized the need for legislation such as this, whereby a farmer could borrow money against the crops that are in storage, interest free money that helped tailor the supply of food to market.

• (1520)

I feel bad that the present day members of that party have lost sight of that need, and have lost sight of the need of the farmers particularly in a year like this when harvests were delayed across the northern part of the Prairies with the result that the grades of those crops have deteriorated to the point where they will not return as much to the producer as they would in a normal year.

I take part in this debate today in the hope that the government will reconsider its current trend of abandoning the Canadian farmers. This bill is another example of the complete disregard of this government for our major primary industry, and it is the latest in a series of moves that is throwing Canadian farmers to the vultures of the market-place, a market-place that has been racked by investigations and scandals and charges of insider trading in some commodity exchanges.

Back in July of 1985, the headlines of the *London Free Press* stated "Ottawa Kisses Off The Family Farm". I had hoped they were wrong because I am a farmer at heart. My son is a farmer. However, when we look at events since then we realize that they were correct. We have seen a grape industry ravaged. A healthy tobacco industry, with the highest quality and the lowest chemical content of any in the world, has been partially destroyed. The two-price wheat system was discontinued in spite of a 1986 recommendation of $10 per bushel for wheat consumed domestically.

We were assured the marketing boards were not on the bargaining table at the free trade negotiations, yet these boards, particularly in the poultry sector, were gutted. Look at what was done with chicken, for example. There are 13 different types of further processed chicken that are no longer classified to be chicken, nine different types of turkey which are not considered to be turkeys that will be allowed into Canada through the Free Trade Agreement and will enter without restriction. The Canadian people and the Canadian farmers now realize who are the real turkeys, the ones who negotiated this agreement. This systematic dismantling of our Canadian farm programs is destroying the Canadian family farm, not by a direct frontal attack but by a series of attacks on the superstructures of the industry. Apparently the government seems to think that agriculture is just another big business. It seems to think if you can produce iron ore cheaper in South America, we can do the same with foods.

The farmers of this nation will never accept the living conditions of those in the Third World countries. They demand better, and if we are expected to compete against the multinational companies that control the world's grain trade we must continue our programs that have made Canadian farmers among the most efficient in the world, who produce the highest quality grains in the world and do it through the marketing systems that we have in place and programs like those that are being gutted here today.

I have to ask the government why it did not raise this hidden agenda four years ago instead of the piece-by-piece dismantling that we have been witnessing since that time. Let us take the Farm Credit Corporation, for example. The 1988-89 corporate plan was tabled late, late in the evening just before we adjourned for Christmas. Of course when we look back, we realize it had to be done after the election, but not seven months late.

Then, of course, the annual report of the Farm Credit Corporation for 1988-89 was due in early June and tabled late on the night we adjourned June 27.

Then we had the cabinet directive to the Farm Credit Corporation of July 1988 that was not tabled even though by law it should have been tabled within the next 15 sitting days of Parliament. The government is treating the members of Parliament like mushrooms that you keep in the dark and feed on a special diet. If the government intends to phase out the Farm Credit Corporation, it should tell us and tell the farmers of Canada because we have to know. Please stop the discrimination of requiring farmers in some provinces to sign covenants that are illegal in other provinces and are not being treated equally.

There are provisions under section 11(1)(e) of the Farm Credit Corporation Act to make compositions, schemes of arrangement, re-writing of mortgages, etc., but it was never the intent of the legislators that we should go so far as to force these people to sign away their future, their heart and their souls. I call on the government to stop these practices, to accept the responsibility and realize that Canadian agriculture cannot be run like big corporations. When one examines some of the actions of the Farm Credit Corporation and looks at some of the situations, one has to realize that at this time it is as much a collection agency as it is a lending agency.

I want to commend the representatives of the four churches for their involvement a week ago yesterday on behalf of Canadian farm families.

This government is slowly but surely dismantling the powers of the Canadian Wheat Board and the Ontario Wheat Growers Marketing Board. When the levels of subsidy are at an equal level there must be free movement of grain according to the free trade deal. This means that probably by late next year we will see cheaper and lower quality United States grains—I am referring here to wheat and barley—coming into Canada and undermining our price structures and quality standards. In fact, the end users certificates that will accompany this grain will not even show the quality or grade of product.

The travesty of this situation is that processors can bring in a few loads of low quality grain and undermine a price structure here in Canada of the high quality Canadian grain, all at the expense of Canadian producers. If this government is going to be the frontman for big business, and if the rural roots are cut off, this primary industry will wither and die.

We have come to be known around the world as a land of plenty, but when I look at what is happening to the resource sector of this country and how this government has allowed these areas to be decimated, I realize that this will impact not just on our present generation of Canadians and our farmers, but also future generations of Canadians and the nation.

Let me give you a few examples. Fishing is a resource industry and on both coasts it is in difficulty. Stocks are depleted on the east coast by overfishing, plants are closing and people have been thrown out of work. On the west coast we lost the dispute requiring Canadian fish to be processed at Canadian plants and our fish farms are being sold to foreign interests.

Our lumber industry has been devastated by the Free Trade Agreement. In 1986, we had over one-third of the total U.S. market. Now we have about one-quarter.

Our oil industry is suffering its worst year in terms of oil wells drilled and completed. This is another resource sector.

The number of oil wells that were brought into production as of the end of September was approximately 1,200. Let us compare that to what has happened in the past. In 1983 that number was 2,606. In 1984 it was 3,900. In 1985 it was 4,723, four times as many as this year. In September, 1989, there were only 157 drilling rigs working in Canada, while 342 were sitting idle. There are only two rigs drilling in all of northern Canada, and none in the offshore. This is a major resource industry and the policies of the government have virtually shut down the oil industry in Canada.

My point is that these resource industries create much of the nation's new wealth and create the basic production from which the growth of our economy emanates and the spin-off from these new wells spreads to the manufacturing sector, the service sector and the total economy. I submit that the health of these resource sectors reflects through the rest of the economy and the whole nation will eventually suffer from the impact.

No nation such as Canada should ever allow itself to become dependent on others for food, particularly a great nation like Canada whose potential is tempered only by climate and distances to markets.

The original bill was designed—the original bill that we are debating here today and which has been in effect for so many years and served us so well—was designed to allow these farmers to store their crops and feed them into the market as the need arose. I want to use this as an example. Many tobacco farmers used this original bill and it worked very well. Normally in the tobacco industry the money was only needed for three or four months, from harvest time until the crop was sold at producer-run or auction exchanges.

When I look at the new bill, we have to check and see if there is an advantage to producers. I worked this through on a $30,000 loan to a tobacco farmer for four months. Using the new legislation, because the farmer will be charged interest, it works out that the farmer will have an advantage of about $45. That will not even cover his costs for paperwork and bookkeeping.

• (1530)

The minister was asking us a few moments ago if we as farmers would do our part to bring down the deficit. I have to submit that we are doing our part and I will bring that out in a few minutes.

Another area where this is going to hit extremely hard is where it will take cash out of the pockets of the farmer. Certainly as we look at the areas of environmental concern and stewardship of our soil, if a farmer is expected to do his part, why is this government so insistent on slashing our programs? I suggest the whole cost of environmental and soil management programs will fall on the farmer's shoulders as the margins of return on investment, management and labour are already pared to the bone.

I respectfully suggest this latest move will impact on our environment and soil conservation efforts because of the additional cost to the farmer of this particular piece of legislation, Bill C-36. This bill is another example of producer abandonment. I call on the minister to reinstate this bill to its previous form and intent or to withdraw it completely. This bill will force producers who are in a financial bind to sell their grain at harvest time in order to get cash to pay the production costs. We do not have to be financial wizards to know what happens to the price at market time when the farmers are forced to sell.

Let me give a few examples of what this program will mean to the producer in terms of stabilizing a price over the period the grain is in storage. I will use corn as an example. These are figures from the Ontario Corn Growers Association. In 1986–1987, the average increased value per tonne from storage was $4.54; in 1987–1988, that same advantage for storing that product and releasing it into the market at a later date was $36.30 per tonne, money that is sorely needed by the producers and this legislation has to be made available to them.

The government is making these cuts on the pretext of cutting expenditures when in fact it is biting the hand that feeds it. The total cost of this program is approximately $20 million to $25 million, maybe $27 million. Yet the government will take in about $995 million, almost $1 billion, in tax on alcoholic beverages. That is the increase in this year's budget.

Even more ludicrous is the fact that these fellows who take $1.8 billion in taxes from the tobacco industry are now withdrawing a program in this sector of the industry that costs the government $1 million. That is quite a return on the investment. The tobacco industry is contributing $1.8 billion and it is only costing the government $1 million. I think the government should reassess its position and withdraw this legislation.

How can this government be so callous? The projected taxes from the tobacco industry are as I just have stated. Add on alcoholic beverages of $995 million, plus an additional increase of $700 million in the sales tax on these items in this year's budget for a total of $3.5 billion from tobacco and alcohol alone and the total budget of the department is $2.35 billion in the coming year.

This reminds me of some of the earlier medical practices where a patient got sick and the early doctors of the day would bleed them a little bit. Of course, if they didn't get better, you bled them a little bit more. That is what the symptoms are here today. I should remind the government that quite often the patients died.

I submit that the discontinuation of these interest free loans and the dismantling of various other programs will mean the death of Canadian family farms because they are already being bled to death.

A few moments ago I spoke about some of the tactics of the Farm Credit Corporation on withholding reports and directives. Thousands of Canadian farmers and their families are in arrears with the FCC. This will further multiply the problem because they are counting on these interest free loans to tide them over.

Recently a constituent of mine received notice of order of sale just before he was to start harvesting his soybean and corn. At a time when he had a cash flow that was going to be available to him within a month or six weeks, this happened to him. I think that we should reassess what is happening with Farm Credit. It has become more of a collection agency than a lending agency.

I mentioned a moment ago that the amount of feed grade wheat is above normal. Consequently, the average price to the producer will be down dramatically. These interest free loans are needed and they are needed now, or else the number of farmers who will be foreclosed on will increase in the next few months.

It seems strange indeed that at the same time the government is cutting back on Canadian producers, the United States producers of soybeans in particular are already pressuring their government to bring in a similar program to stop the exploitation by the very large corporations and the speculators in the commodity exchanges.

In fact, if the Canadian program is being looked at as a subsidy by the U.S., has our government not challenged them on the Commodity Credit Corporation loans or the Export Enhancement Corporation loans? I wonder if the government got assurances from the U.S. that it will bring an immediate end to its export enhancement programs that drive down the price of international grains. The government is forging ahead with this legislation that will create additional hardship on our people.

I have a whole series of letters and requests from various producer organizations across Canada. One is dated October 2 from Prairie Pools Incorporated asking the government not to proceed with this bill. There is

another one from a meeting held in Winnipeg yesterday. Several farm organizations asked the government to withdraw this legislation. There are representations from all across Canada on this particular piece of legislation by producers' organizations asking us to put a stop to this madness and to leave the legislation in place which has served us well over the years.

Therefore, I move:

That Bill C-36 be amended by removing all of the words after the word "That" and by substituting the following:

"this House declines to proceed with Bill C-36, An Act to amend the Advance Payments for Crops Act and the Prairie Grain Advance Payments Act because it opposes in principle, namely, the elimination of interest free loans to producer organizations and producers".

This motion is seconded by the Hon. Member for Algoma.

The Acting Speaker (Mrs. Champagne): The Chair has received the amendment and it will be taken under advisement as to its admissibility. I will return to the House later with a ruling on it.

• (1540)

Mr. Ray Funk (Prince Albert—Churchill River): Madam Speaker, it is always a pleasure to stand in this House and debate the great issues of the day, but it is certainly not a pleasure to have to stand up in the House and discuss what is happening to agriculture as a result of the bill that is before us.

It seems that every time I stand here as the member for Prince Albert, I have another reason to remember my predecessor, the former member for Prince Albert, the late John George Diefenbaker. It was my predecessor who in 1957 saw the very obvious need for this kind of legislation and brought it in to great acclaim on the prairies. In fact, that measure was so popular that in the 1958 election, even people who were normally CCF voters supported the Chief because of what he was doing for prairie farmers.

I think it is a real shame that this government, made up of members of the late John George Diefenbaker's party, have turned its back on so many of the legacies that John left behind.

It is doubly unfortunate because it was prairie members and farm members of the Conservative party who got elected on the legacy of John Diefenbaker who in fact kept the Conservative party alive through its years in the wilderness. Now that it has become a government, suddenly it is quite fashionable to forget about the farmers who kept that party alive through the years.

There are a number of reasons why I oppose this bill, one of which certainly is that farmers do not need any more interest-bearing debts. I listened very carefully, or tried to, to what the minister was saying. There were three reasons that he gave, as I understood it, for introducing the bill at this time. One was that there is a real sense of urgency, that we need to get cash advances out into the hands of farmers. Certainly that is true. The crop is largely off in many parts of the country. Certainly it is off in our part of the country. People have been counting on that money, but have not not been able to get it. All of us from rural constituencies have had phone calls, letters and so on asking:"When will the cash advances will be available?".

However, that is no real cause for urgency at all because until this bill is passed, the old bill remains in effect. In fact, if the government had been so anxious to get money into the hands of farmers, it could very well have done it under the old legislation. That in fact is what many farmers across the country have asked the government to do. Therefore there is no urgency at all, other than that imposed by the government itself in passing this legislation at this time.

The second reason that the hon. minister gave, as I understood it, was the need to cope with the deficit. I want to ask the minister, is there not a real cost involved in continuing the cycle of increasing debt, farm foreclosure and rural depopulation? Surely there is a real cost involved in loss of infrastructure, loss of taxes and the cost of relocating all those people and providing goods and services to them in new places when they are forced off the farms into towns and cities across the country. There is a real cost involved in that. All too often those kinds of costs are not figured into this government's equation.

Third, surely when making decisions like this for financial reasons, there should be a careful measurement of the costs and benefits of such a move. The figures that the hon. member who spoke previously alluded to from the Ontario Corn Producers indicate clearly what a cost- effective program this has been.

For example, the figures produced by the Ontario Corn Producers show that in 1986, the value of this program to corn producers was $2,044,826, but at a cost to the treasury of only $1,175,976. It was even much more dramatic in 1987–88 when the Ontario Corn Producers realized a net benefit of $16,000,796 at a cost to the treasury of only $1,121,000. That is a ratio of $15 to $1. For every dollar invested by the government, there is a return to the farmers in net benefit of $15. Surely that is one of the best expenditures this government has ever made. At least I have not seen any better.

The last point with regard to the deficit is that there is a real contradiction involved in the approach of the minister when he says that it is absolutely essential that we save this $27 million and at the same time he brags about the fact that the government has spent $6 billion on agriculture over the last number of years. Surely this is not such a big percentage of $6 billion that it is absolutely critical to wipe it out in that kind of a context.

I think what really got to the point of this whole issue was when the minister indicated that introducing this bill and making farmers pay interest on the cash advances will permit farmers to make decisions based on business principles. That is a very short-sighted and narrow view of what business principles involve. To me, it shows a total lack of understanding of how the whole grain marketing and collection system in this country actually works.

Surely there are important business principles involved in things like orderly marketing. Surely there are business principles involved in being able to store grain and put it on to the market to counter the price cycles so that farmers can sell their grain or their produce when the prices are high rather than when the prices are low. Surely there is a cost to the whole system if that system that has been built up over the last 50 years is suddenly destroyed and we have no other system to take its place.

Let me explain in a little more detail how that works. The way the cash advance program works is that in effect farmers can sell their grain when they take it off. As soon as the crop is in the bin, they are able to get an interest free cash advance and they in effect have sold that grain at that point. That is very important because our grain handling system, at least in western Canada, can only absorb 40 per cent of the annual production of the prairies at any one time.

The whole system in western Canada can only absorb 40 per cent of the grain at any one time. It means that the grain has to cycle through that system two and a half times in the course of a year in order to move all the grain, and the same I understand is true in other parts of the country. That means it is in fact not possible for farmers to make decisions, as the minister would imply, solely on the basis of price because there is not enough capacity to do so.

Over the years we have introduced a very effective system that is the envy of farmers all over the world and that is a quota system which allows the Canadian Wheat Board, for example, or the Ontario Wheat Board to make sales in advance and know what kind of supplies it is getting and be able to call those supplies into the system at the time when it can be shipped.

There is no point, there is no benefit, there is no business advantage to all the grain that is produced in a year being dumped into the system all at once. It has to be sorted into train loads and into terminals and on to ships and so on. It makes a heck of a lot more business sense, as far as I am concerned, to call that grain forward at the time that it can move all the way through the system very quickly, through the local elevators, through the railway system, through the terminals and on to the boats.

Surely an efficient modern system is something we have had a lot of debate about in the House, or other members have, I being new here, debate about how we have to enhance the ability to move grain very quickly through the system in response to demand. This bill effectively undermines that capacity.

It would perhaps be a different situation if we were making moves to increase the handling capacity of the system, but we are not. Our whole emphasis in the last 15 years has been on moving it through quicker with reduced storage facilities. At the time when this legislation was originally introduced, the elevator system was able to handle about 50 per cent to 55 per cent of the grain at any one time. Now it is down to 40 per cent. That 40 per cent is being rapidly eroded by the whole process of elevator rationalization and rail line abandonment which certainly is another related issue.

The government, at the same time that it cut the cash advance program in the last budget, also cut all funds to the rail branch line rehabilitation program. In my own constituency of Prince Albert—Churchill River there are two lines, the Blaine Lake subdivision between Shellbrook and Blaine Lake, and the Paddockwood subdivision which serves the points of Henribourg and Paddockwood. Those are million bushel points. The elevator companies there are perfectly prepared to keep on handling grain up to the year 2000 or beyond because they are viable points. Everybody assumed that this government was going to stick to the commitments it made regularly, that that system which had been included in the year 2000 system would in fact be upgraded.

• (1550)

On these rail lines, the roadbeds were rebuilt, there was new ballast and there were new ties. All they lacked was heavy steel. But this government, by its budget moves, has made it impossible to get that heavy steel down so now there is a threat for those three-million bushel points to be abandoned in the next short period of time.

That kind of a situation is duplicated right across the prairies, which means that we will have even less than 40 per cent capacity in the system. That means that there is an even greater need to call grain forward in an orderly fashion to take advantage of the new rapid through-put kind of system that we are obviously developing.

The second point is that this really starts to open up wide cracks in the whole quota system that has been so successful in this country. We have been able to maintain the kind of marketing system, the Canadian Wheat Board, which I think everybody concedes has maximized benefits to producers far beyond what any other grain handling system in the world has been able to do. Certainly that is the opinion of the vast majority of farmers on the prairies.

That quota system will be very effectively undermined because when producers face the prospect of not being able to haul in all their grain or not being able to get interest free cash advances on their grain, they are going to put all kinds of pressure on to be able to haul that grain all at once. Why, because of lack of capacity in the system, should one farmer be able to haul his grain in September and pay his bills and the next one in December, the next one in March, the next one in June? It is not possible for everybody to do it at once, so there is going to be real pressure exerted from all kinds of grassroots farmers who need that money very badly to start to eliminate the quota system which has been at the foundation of our grain handling and transportation systems.

I guess what amazes me as well is the whole lack of consultation that is characteristic of this government's approach to agriculture. As I mentioned before, this party opposite was kept alive and nurtured through its bleaker years by the farmers of Canada. Farmers assumed that when this government came to office, certainly its policies toward agriculture would be undertaken with the widest possible consultation and that they would have friends in government. How often have we seen that that is not true? Once again that is not true, because, as the previous speaker mentioned, there have been representations from all over the country objecting very strongly to this legislation.

The Advisory Committee to the Canadian Wheat Board, certainly an important policy body on the prairies, wrote to the Minister of State for Grains and Oilseeds last July 13 offering him the unanimous resolution that the Advisory Committee to the Canadian Wheat Board recommend to the federal government that for the 1989-90 crop year the cash advance program be operated as it was in the 1988-89 crop year.

In passing that motion, the committee noted that it also wanted to give recognition to the fact that economic factors continue to create serious financial stress for many producers in western Canada. I can vouch for that being true. I have spoken to many farmers in my constituency and throughout northern Saskatchewan in the last several weeks and months.

Although the yield is not as bad as it was last year because there were better rains, though there was a period of drought and certainly the grains are just awful, there is a large quantity of feed wheat in the system, wheat that is worth only half of what people had expected to get. There is not only the outstanding debt from previous years, but that debt is not going to be dealt with at all in this coming year because of the very poor grades that so much of the wheat came in at.

The National Farmers Union wrote in mid August that a cash advance program is urgently needed for the 1989–90 crop year since farmers need cash flow now to pay their bills.

The prairie pools say that the changes will hurt orderly marketing and undermine the Canadian Wheat Board because it will be more difficult to manage deliveries.

Manitoba's Keystone Agriculture Producers noted a very special situation. It said that the elimination of the interest free provision under both acts would be particularly onerous for grains and oilseeds producers in Manitoba who are virtually obliged to ship their commodities through the port at Thunder Bay. Because that port is closed during the winter months, in contrast to Vancouver and Prince Rupert, many farmers in Manitoba sit all winter with little or no opportunity to market grain, resulting in turn in their having little income with which to pay their bills and support the economies of their local communities.

Certainly I would expect that there are a fair number of government members representing Manitoba farmers. I would hope that they had drawn this very directly to the attention of the Minister of Agriculture and the Minister of State for Grains and Oilseeds who, ironically, is himself a farmer in Manitoba and should know very well what the effect would be on Manitoba.

The letter that I found most interesting, however, dated August 2 and arrived by fax, is addressed to the Prime Minister of Canada and reads:

Dear Mr. Prime Minister,

At a national meeting held in Winnipeg this morning, 19 Canadian grain and oilseed producer organizations were unanimous in calling on your government to withdraw Bill C–36, and to re–institute the two previous acts, which provided for interest–free cash advances, for crops grown in Canada.

In our view, Bill C–36 will destroy the value of the Cash Advance Programs.

Your federal Minister of Agriculture, Mr. Mazankowski, has initiated a major review of agriculture policy in Canada, of which marketing is one aspect. We feel the Cash Advance Programs should be part of this review.

It is urgent to reinstate the 1988/89 Cash Advance Programs, and to allow the farm community with the federal minister, through the policy review process, to design the appropriate marketing systems to ensure equity in the system.

Yours truly,
Roy Cusitar
Meeting Chairman

The interesting thing about this letter is not so much what it says but who signed it. People who have followed the agriculture debate over the years know that there is in some respect a bit of a polarization within the farm community between those who favour the orderly marketing approach, the pooling kind of approach, and those who prefer a more of a free open market kind of approach to agriculture. That tension has been very clear in debates like that on the Crow rate and so on.

This particular letter is signed by groups like the Western Canadian Wheat Growers Association, Western Barley Growers Association, Alberta Pulse Growers Association, Focus on Inputs, Prairie Canola Growers Council, Manitoba Canola Growers Association, Saskatchewan Canola Growers Association, Alberta Soft Wheat Grain Association, United Grain Growers, Flax Council of Canada, Atlantic Grains Council, Ontario Corn Producers Association, Manitoba Pulse Growers Association and Western Canada Pulse Growers Association.

What those who follow this debate closely will recognize immediately is that most of the signatures on this particular letter are from people who have historically supported an opening up of free market forces within agriculture. A good number of those groups in fact even supported the free trade initiatives, although there were groups that had misgivings, including the federations of agriculture, the pools and so on. The majority of signators to this particular letter were in favour of the free trade deal and thought it would be a good deal for agriculture. This is the government's very own friends that it is turning its back on.

I would also like to comment briefly on the effect on individual farmers. When a farmer puts in a crop, that is largely done with borrowed money. Today's input costs are so high that there is no way that the vast majority of farmers have the cash on hand in spring when the crop goes in to pay for those input costs, so that crop is put in on credit. What has traditionally happened is that when the crop came off in September, October or November, in the fall, the farmer was then able to take an interest free cash advance, pay those debts and thus be rid of the interest charges on those debts through the rest of the year and, in fact, could manage a cash flow so that the planning process for the next spring could begin again.

What this bill does, by imposing interest charges on those farmers, is in fact make this a very unattractive option for farmers. Certainly I can appreciate that perhaps there would be a slight interest rate saving of 1 per cent or 2 per cent.

• (1600)

But when you are talking of interest rates of 13 or 14 per cent, and with the grab and steal tax coming in, we could well be looking at interest rates in the neighbourhood of 20 per cent. With the added inflation that particular tax measure could very well induce, and with the policy of John Crowe to raise interest rates to compensate for every rise in inflation we could well be looking at interest rates in the 20 per cent range again within a year or two. So farmers are going to save 1 per cent or 2 per cent in interest, but they are just going to get killed by the interest rates. If there is one thing that farmers do not need it is more interest bearing debt.

I would also like to talk a little bit about what this represents in the larger context of farm policy. What is becoming very frustrating, not only to members on this side of the House but to farmers across this country, and I suspect even to some of the government's own backbenchers, is this government's unwillingness to come clean with its real agenda on agriculture.

Within the last very short period of time we have seen a number of measures taken by this government that to me point very much in the same direction. We saw oats being removed from the Canadian Wheat Board's jurisdiction. This was, of course, supposed to be a big bonanza for farmers. As a result, there were much lower sales of oats at much lower prices this year than there had been in the past few years. So the bonanza never materialized.

People were skeptical about that whole maneuver to begin with. Something like 70 to 80 per cent of farmers called on the government to change its decision, not to introduce that Order in Council to take oats out of the wheat board's jurisdiction, including many friends of the government who I met at meetings who stood up and made their views known very forcefully. But oats were removed from the jurisdiction of the Wheat Board. Certainly that led to the clear impression being left in the farm community that the Wheat Board was no longer the major instrument of government policies, if you will, the sacrosanct institution of Canadian agriculture that it had once been. Certainly, removing the cash advances is another blow to that whole system.

Second, there is the whole question of free trade. Although the government spelled out, it seemed very directly, that free trade was not going to be a hindrance to agriculture and certainly was not going to have any impact on orderly marketing, a lot of producers were very dubious about that assertion. I suspect those numbers include the former Minister of Agriculture, the former minister from Elgin who, it is widely rumored, in fact chose not to run again in the last election because of what he feared was going to happen to the orderly marketing system which he strongly believed in. I know he did. I lived in that part of the country in the early 1970s and knew the former minister to be a strong supporter of orderly marketing. I think he just did not want to see what was going to be happening.

It has been argued that some of the things that have happened since the Free Trade Agreement, for example, the ruling by GATT on the import regulations on ice cream and yoghurt and the American countervail on pork, are not the result of free trade, that those kinds of things would have happened anyway. In a narrow sense that is perhaps true. However, I remember very clearly the Premier of Saskatchewan, one of the most ardent apologists, in fact one of the most ardent cheerleaders for this government's agricultural policy, coming to our city of Prince Albert and saying very directly to farmers who were concerned about these things that certainly it is not going to undermine orderly marketing. And even if the jots and tittles, as the Minister of Trade refers to them, do not necessarily spell out in every detail how orderly marketing is going to be protected, it is going to create a climate of harmony, it is going to create a climate of goodwill between the United States and Canada where the type of harassment that we had seen an increasing amount of was not going to be visible any longer.

That has clearly turned out to be only so much hot air, frankly. The harassment has not only not decreased, it has actually picked up, as evidenced by the very destructive ruling from GATT launched by a New York dairy producer and the recent ruling on pork.

As well, we saw under free trade the loss of the two-price wheat system. We were told that was going to be compensated for, and nowhere do I find in the government's financial plans for the future that that particular promise is going to be kept either.

Later this week we will debate again the bill that we gave second reading to under closure, the plant breeders' rights bill, again another bill that opens up the whole industry of agriculture, the whole farm community, to increasing threat from large corporations and increasing corporate control of that sector.

Then I had the pleasure, I guess, of attending the press conference in my own city of Prince Albert when the Minister of Agriculture and the provincial ministers of agriculture announced their new policy on agriculture. There were a couple of very key words in there that certainly anybody who follows agriculture debates heard very clearly, namely, that the new look of agriculture was to be; one, market-driven; and two, self-reliant. It is very easy to find words that to the average Canadian sound as if they represent progress. Who is going to be against markets? Well I guess some people are, but certainly nobody is against self-reliance.

What that obviously has come to mean in the context of the government's other activities is that the historic foundation of agriculture in this country, the family farm, is something that this government is perfectly willing to abandon. Every action this government takes in the field of agriculture makes that more and more clear.

I think family farmers are starting to realize that they are being abandoned, that they are being left behind, that this government is doing whatever it can to hasten the corporate concentration in agriculture, to hasten the industrialization of the agriculture sector. What is really frustrating is that farmers always feel like they are fighting rearguard actions because the government is saying one thing, that, yes, the family farm is sacred, and, yes, it is doing what it can to assist and support the family farm, but all the actions run the other way.

It is becoming very frustrating and very tiring for family farmers to constantly fight these rearguard actions against the government that will not come clean on what its actual agenda is. I am sure there are a lot of members opposite, a lot of farm members in particular, who are starting to realize as well that what this government says is much different from what this government does.

In that regard I would like to offer some evidence that this frustration is not just something that comes out of what might be termed the left wing of the farm movement or out of the Official Opposition or the NDP. This whole frustration with the direction this government is taking in agriculture is shared every bit as much by its own members, its own grassroots members.

I would like to quote from *The Western Producer*, a paper with a circulation of approximately 130,000 a very important farm paper. My copy is a little bit worn by now because I have been showing it to all my colleagues from other parts of Canada, especially my urban colleagues because they often do not have the opportunity to know what is being said about government programs in the farm press.

I thought this article was very important because it was a report from the P.C. policy convention earlier this last August which was billed in the mainstream media as being very much a love-in; that there was very little dissent, that people were happy, they had vision for the future and they were going to ride the great economic boom well into the 21st century, that all kinds of good things were going to happen and all the delegates there were very pleased with everything they saw.

This headline, first of all, caught my eye. It said: "Rural PCs line up at convention to air their gripes". I went on to read:

> Conservative farm policies were attacked last week by rural delegates attending the Progressive Conservative national convention.
>
> They said despite official government optimism and self-congratulations, conditions are bad down on the farm. And government policy is driving rural voters away from Conservatives, they warned.
>
> There was scarcely a word of praise for past government performance or the new theology of market-oriented, subsidy-reduced farm policy being developed and promoted by agriculture minister Don Mazankowski.
>
> As Mazankowski sat in the audience listening, delegate after delegate came to the microphone to complain about the state of the farm economy.

They complained about prices, high interest rates, uncertainty caused by government policy and the inequities of the drought program.

Russell Lakusta, of Wandering River in northeastern Alberta, complained that he cannot afford to turn his grain farm over to his son.

"Farmers are in very poor shape", he said. "If we don't get federal help, lower interest rates and get to the point where farmers break even—" At that point, his voice broke and the sentence trailed off.

Later the longtime Conservative said he does not find the government particularly sympathetic to the farmer's plight, despite the record of subsidies.

"I still think the government is sorry for the $3 billion they gave us," he said in an interview. "I don't know why. I think if it hadn't been for Grant Devine's election, we wouldn't have gotten that either."

I might add that another billion dollars would be very welcome in the prairie economy but you can bet the last dollar of those billions that it will not buy Grant Devine another election.

Farmer Bill Cole, from Ninette, Man., was equally blunt.

He was angry about the loss of the interest-free advance payment program this year and the way the drought payment was handled. Payments were late, administration too cumbersome and in too many cases, farmers are being asked to pay back thousands of dollars already received in interim payments, he said in an interview.

On his own farm, Cole received a $7 an acre interim payment and then, instead of the additional payment he expected to cover his bills, he received a notice from Ottawa that he had been overpaid by 52 cents an acre. He has to pay it back.

I might add that the appeal process is in total chaos. The structure that has been set up puts all the burden on rural municipalities which in no way have the resources to deal with what is happening in that drought payment. Reeves and councillors are getting calls in the middle of the night, families are being divided because one brother will get a payment when he had a pretty good crop and the next brother gets nothing, is wiped out and driven out of business. It is causing all kinds of stress in the rural community.

• (1610)

In any event, getting back to the words of Cole, he said:

"That program was a disaster", said Cole, a member of the executive in grains minister Charlie Mayer's constituency organization.

This is one of the Minister of Grains and Oilseeds' own constituency executive members. He said:

"I told Charlie last week to his face, you have two chances for re-election: slim and none."

I think that is pretty blunt talk. I do not think you can put it any clearer than that.

Other delegates had other complaints.

A young Quebec farmer said the government should do more to help young people stay on the land.

An Ontario dairy farmer said reducing government regulation is not the answer.

A Prince Edward Island delegate warned that low prices and a lack of government action will send many family farms into the grasp of multinational, vertically-integrated food companies.

A southern Saskatchewan nurse said farmers are turning to alcohol, drugs and suicide because of poor conditions and a lack of government support.

I might stress again that this is not something dreamed up by wild-eyed New Democrats in some back room. This is a report from the debate at the Conservative convention. These are direct quotes.

Mr. Cardiff: Who wrote that?

Mr. Funk: The member opposite asks who wrote that. These are direct quotes from their own delegates and I hope he was there to hear those things said because I think that is very clearly the voice of the whole farm community speaking.

With that I would like to reiterate that the bill we have before us, the bill to charge interest on cash advance payments, is just one more example of this government's agriculture policies that are being rejected from from coast to coast as not only being unworkable but very likely to lead to the demise of agriculture in this country as we know it and to hasten the demise of the most valued institution in rural Canada, the family farm.

This government may think that, as some analysts at their convention said, it does not have to worry about the farm population any more because the Conservative Party has become the party of the upwardly mobile people in the suburbs. If you look at a map of Canada you can see how many constituencies there are that elect rural members in this country. It is not possible for this government to form a government again without rural members. This government may think that farmers cannot remember three years. Farmers can remember a lot longer than that and I hope that the government pays attention to what farmers are saying to them.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Champagne): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Saint-Laurent—Cartierville (Mrs. Maheu)—POVERTY—Government Position—People living below the poverty line; the Hon. Member for Saskatoon—Dundurn (Mr. Fisher)—UNEMPLOYMENT INSURANCE—Proposed Amendments to Act—Impact of proposed amendments on Unemployed; the Hon. Member for Thunder Bay—Atikokan (Mr. Angus)—TRANSPORT—Subsidies to Via Rail—cuts to Via Rail—Environmental benefits of rail transit.

GOVERNMENT ORDERS

[*English*]

ADVANCE PAYMENTS FOR CROPS ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-36, an Act to amend the Advance Payments for Crops Act and the Prairie Grain Advance Payments Act, be read the second time and referred to a legislative committee.

The Acting Speaker (Mrs. Champagne): Earlier this day the Hon. Member for Lambton—Middlesex presented what we call a reasoned amendment which, for people who are listening to us, might need some interpretation. That is an amendment that leaves out all the words in the main question after the word "that" and adds other words.

The Chair has looked at the amendment proposed by the hon. member and finds it out of order. As Beauchesne's 745(4) says:

> An amendment which amounts to no more than a direct negation of the principle of the bill—

—is out of order.

The hon. parliamentary secretary on a point of order.

Mr. Cardiff: Madam Speaker, I would like through you to point something out to the previous speaker from Prince Albert. He spoke about the lack of support from this government toward farmers. I want to point out that the minister did say that we had supported government extensively and I want to point out—

The Acting Speaker (Mrs. Champagne): Order. The hon. parliamentary secretary may want to participate in the debate at a later stage. Resuming debate, the Hon. Member for Algoma.

Mr. Maurice Foster (Algoma): Madam Speaker, it is interesting that the parliamentary secretary is so much on the defensive, as was the minister, on this bill. They know they have practically zero support. Even the most militant Tories in this country do not support the bill. It is interesting that some 19 principal farm organizations, commodity groups from across the country, met in Winnipeg yesterday and petitioned the Prime Minister by letter after that meeting demanding that the government withdraw this bill. I did the same thing a week or so ago and lo and behold, the Minister of Agriculture withdrew that bill, C-32. Unfortunately, Bill C-36 is no better than Bill C-32 as regards the interest free cash advances.

It is hard to imagine that the Tories are really bringing in this legislation. In 1984 they campaigned that they would double the farm cash advance program, and they did, they increased it from $15,000 to $30,000. We supported that move. But lo and behold, when the Budget came down this year they emasculated the benefits of the program because without the interest free portion to the farm cash advance program the program is almost useless. The value will be for somebody who has a crop worth $.5 million who might gain .5 per cent and utilize it because of the mass volume of the program or for someone who is absolutely destitute and cannot get credit any place else.

Farm organizations across this country uniformly are opposed to this program. We would like to spend some time talking about why they are opposed to it. Clearly, the Canadian Federation of Agriculture, the umbrella group for most Canadian farmers covering the wide spectrum of dairy producers, of fruit and vegetables producers, the pools, the UPA, the Atlantic farm groups,

the Federation of Agriculture from Ontario and the Atlantic Federation of Agriculture all oppose this group. The National Farmers' Union opposes this legislation. As a matter of fact, the group that passed the resolution yesterday and petitioned the Prime Minister said this in a letter to him.

> At a national meeting held in Winnipeg this morning, 19 Canadian grain and oilseed producer organizations were unanimous in calling on your government to withdraw Bill C-36, and to re-institute the two previous acts, which provided for interest-free cash advances for crops grown in Canada.

It is interesting that they sum up that letter by saying:

> It is urgent to reinstate the 1988/89 Cash Advance Programs, and to allow the farm community with the federal minister, through the policy review process, to design the appropriate marketing systems to ensure competitiveness and equity.

It is signed by the representative, Roy Cusitar, of the United Grain Growers in Winnipeg.

• (1620)

It is supported by all these groups: the Ontario Soybean growers, *la fédération des producteur de cultures commerciales du Québec*, the Western Canadian Wheat Growers Association, the Western Barley Growers, the Alberta Pulse Growers Association, Focus on Inputs, Keystone Agricultural Producers, the Prairie Canola Growers Council, the Manitoba Canola Growers Association, the Saskatchewan Canola Growers Association, the Alberta Soft Wheat Grain Association, the United Grain Growers, the Flax Council of Canada, the Atlantic Grains Council, the Ontario Corn Producers Association, the Manitoba Pulse Growers and the Western Canadian Pulse Growers.

There is uniform support to oppose this legislation in every way possible and we just do not understand why the government is proceeding with it. It is just inconceivable to us that the government continues to push to have this legislation. It has been uniformly opposed. The Deputy Prime Minister talked about the enabling legislation that is needed.

All the Government of Canada has to do is obey the law. It is not obeying the law now. The law now says that they will make available to the Canadian Wheat Board and to other commodity groups funds with the interest looked after by the Government of Canada, and they are not doing that. What I am calling on the government to do is to withdraw the bill or just let it die on the Order Paper and to obey the law of Canada now which is to provide interest free cash advances.

The Deputy Prime Minister talked about farmers paying their fair share of the cuts that the government made in government programs. Farmers are making a tremendous contribution. The infamous budget which was brought down will increase taxes and cut services by $5 billion this year and $9 billion next year, and with the goods and services tax a $5.5 billion increase will be imposed the year after. Those are government figures. It may be $9 or $10 billion, but it certainly is going to be the $5.5 billion if the government implement that program.

In this program last spring the government has cut crop insurance by $200 million, grain and flour transportation by $60 million, rail branchline rehabilitation programs by $48 million, and grain and crop advance payment programs by $54 million. That is $27 million a year.

Most of these cuts mean a reduction in services or a reduction in programs to farmers but there is hardly any program, in my opinion, which has the multiplier effect of a grain and crop advance program. I would like to talk about that a little bit later.

Just to respond to the Deputy Prime Minister and the Minister of Agriculture saying, "farmers have got to take the blunt axe themselves" let us go on to the other things which they have cut. They have cut the dairy export program by $12 million, the commodity-based loan program by $15 million and the Canadian Dairy Commission by $10 million. So farmers, without being slaughtered on this one, have been slaughtered on a a host of other programs amounting to $400 million, and that does not even get into another $100 million which they are going to have to pay in input costs for the oil and gas excise tax and sales tax. So farmers certainly are taking their chunk of the government's chop.

As we look across the spectrum of Canadian agriculture which is going to be adversely affected by this legislation, we see those organizations which I have mentioned this afternoon such as the Canadian Federation of Agriculture, the National Farmers Union, and the Canadian Wheat Board Advisory group. This is a farmer elected group across the prairies which advises the Canadian Wheat Board on this. The Canadian Wheat Board operates this program in western Canada. They have opposed it, as have the Saskatchewan Canola Growers Association, the Ontario Corn Producers Association, the Manitoba Corn Producers Association, and so on.

The Deputy Prime Minister this afternoon suggested that the program would have some value, or might continue to operate. That really is not the case because this program, at least in eastern Canada, is operated by farm groups like the Ontario Corn Producers Association. The Ontario Corn Producers Association tells me that at its board meeting just last week it was discussing how many farmers would take advantage of the program that the Deputy Prime Minister is talking about. The program in the past has provided benefits to about 1,200 corn producers. Their discussion was as to whether there would be 50 that would even bother taking the benefit, because by the time one pays the administration fee and the other charges, for people who have a very good credit rating there probably is no advantage at all under the program.

So, it is a very big question whether a lot of these associations which have operated the program and done yeoman's service in that regard would even bother. Various organizations have outlined how much harm this program will do. First, the costs are relatively minimal compared to the advantages. It is a relatively inexpensive program compared to many operated by the government, as the Deputy Prime Minister said, costing billions and billions of dollars. So this is a relatively inexpensive program in terms of providing for orderly marketing of Canadian farm commodities, and surely that is the primary goal of the program. It is not just the amount of interest support that is provided, it is the impact on the commodity; the price, the funding and support at a particular moment in time.

Without the program farmers who need the cash will tend to market their commodity as soon as the commodity is harvested. This program allowed them to shift the marketing from the months of October and November into the winter months and the spring months. That had a beneficial effect. It not only kept the price up during the fall months, but it tended to keep the price more stable in the spring months. It not only benefits the farmer but at the end of the day it benefits the consumer. It does not result in having tremendous troughs when there is a surplus of the commodity in the fall and a shortage in the spring. It tends to level that out.

In the prairies we will see, with this bill destroyed, that farmers will rush to make deliveries in the fall, over-taxing a grain-handling system that does not have as much capacity as it needs to operate without this program.

• (1630)

This program is not trade distorting. It does not increase production. It just provides for a much more orderly marketing arrangement. It does not stimulate production. The government, unilaterally, without the agreement of commodity groups—and certainly the dairy producers—last fall signed an accord at the GATT to not increase government support programs. They did some fast juggling in dairy by cutting out dairy support programs by some $20 million or $25 million and then raised the price of milk by 41 cents a hectolitre, which was less than what they had cut out in the budget.

Nowhere in that GATT accord of last April does this program provide for reducing the support programs. Yet this action by the government results in a reduction.

I guess the other concern we have as we look down through the range of government programs which were destroyed in the budget is that many of these programs which the government chopped out—some $500 million over the next couple of years in support to farmers—are programs that were listed in the free trade deal as being subsidies. The free trade deal also provides for negotiation over the next five to seven years of what is a subsidy, what is an acceptable subsidy that does not encounter countervail or dumping duties. When we look at the budget we see the government, one, two, three, four is removing subsidies while the Americans, who they have not even started to negotiate with in earnest, are not removing any of their subsidies. They are not removing their advance payments or load interest programs. Why are we doing it?

We seem to be doing everything unilaterally, hurting farmers and destroying our negotiating position with the Americans in the trade negotiations which will come up over the next few years.

I spoke earlier about the benefits of this program in terms of not having all your marketing take place at harvest time and spreading it out, having orderly marketing over a period of time. I was interested in what the Ontario Corn Producers have indicated as the cost benefits of the program in terms of the price of corn. What they have done is they have calculated the price of corn during the harvest season, October and November, and then compared it with the selling price of corn in the winter, spring and summer months.

It is very interesting to note that the cost benefit in one year, 1987–88 which is the last year for which they have marketing figures in terms of what it cost the government to run the Advance Payments Program and the benefit to the corn producers is something like 15 to 1. That is not bad. Even the parliamentary secretary, who is one of the great white bean growers and knows how to calculate how to make profits, would have to admit that a 15 to 1 cost benefit ratio is very good.

If you calculate what the interest on the advance payment program cost the government for the last year for which we have figures, 1987–88, you see it was $1.1 million. The increase in price during the winter, spring and summer months compared to what it was if everybody had marketed in October and November was $16 million, 15 times as much.

Surely even the Tories can calculate that that is good for the industry. It stabilizes it. You do not have massively low prices in October and November, and you do not have massively high prices in the spring because everybody marketed in the fall. If we look at just that one commodity, which is a big important group, although certainly not the whole of the Canadian agriculture scene, you see the tremendous benefits of this.

If you look across the range of commodities, whether you are talking about fruits and vegetables in B.C., Ontario, Quebec, or Atlantic Canada, or if you talk about soybeans, or about the prairie grain, you get a stability in the industry that is very desirable. If you maintain the price as well, it is certainly desirable.

I am suggesting to the government that it really should withdraw, withdraw, withdraw Bill C–36. It is wrong for a country. It is wrong for farm pricing. It is wrong for Canadian farmers, and wrong for agriculture.

I would like to move an amendment to the motion before us today, seconded by the hon. member for Lambton—Middlesex:

> That Bill C–36, an Act to amend the Advance Payments for Crops Act and the Prairie Grain Advance Payments Act be not now read a second time but that it be read a second time this day six months hence.

Mr. Hovdebo: Madam Speaker, I noticed the statistics show that 3,644 farmers in Ontario took advantage of the advance payments in 1987–88, and a large portion of those were soybean growers, tobacco growers and corn producers.

I would like to ask the hon. member what portion of these farmers who took advantage of it in 1987–88 he thinks would still find it a worth–while procedure, a worth–while program under the new bill? That is question number one.

I have a second question which is very close to it. The new bill allows $250,000 instead of the regular level of borrowing that was allowed. I wonder also how many of those 3,644 farmers who took advantage of this would have any reason to use more than the present level of expenditure.

Mr. Foster: Madam Speaker, I appreciate the hon. member's question. He is a person who has taken tremendous interest in agriculture issues. He has worked widely on agriculture issues in the agriculture committee of the House of Commons.

I would suspect that the answer to his inquiry concerning tobacco growers, soybean growers and corn growers would be typical of the estimate that has been made by the board of Directors of the Ontario Corn Producers Association. They estimate that as low as 50 farmers, out of the 1,200 who have been using the program in the past, might use it in the future. I am not sure of the percentage, but you are getting down to something less than 5 per cent of the people who would use it in the future as it is reconstituted with the farmer paying the interest.

• (1640)

What the government is doing with this bill is destroying the program. They can huff and puff and talk about farmers having to bear the brunt of their cost–cutting exercise and all the rest of it, but if you think that the Ontario Corn Producers are going to run a program like

this for 50 producers when in the past they have had something like 1,200 producers, I do not think they will. The administration costs and the overhead and everything grows disproportionately when you are dealing with a very small number of producers compared to a widely diverse group.

The second question is about the $250,000 limit. The current limit is $30,000, $60,000, $90,000 depending on the number of partners in the farming operation. In my opinion, the $250,000 limit is a pure smoke-screen. It is one of two things. As the hon. member will recall, the first bill C-32 was bungled and they were so embarrassed by it that they had to withdraw it because the loan guarantee in the bill did not cover the interest. They had to put up some kind of a smoke-screen to cover the embarrassment of it all and raised the limit to $250,000. In my opinion, that is why they did it.

In any event, very few if any farmers will use it. I think that the amount will never approach the previous limit which was something like 17 per cent in the west and 25 per cent in the east. In any event, it is probably designed to help a few really good Tory supporters who can benefit by the marginal gain they will get on interest. As far as the broad spectrum of the average farmer is concerned, it will benefit practically none, because you are only covering 50 per cent of the grain or the commodity in the bin. I do not know too many farmers who will have half a million dollars worth of grain or other commodity in the bin. In my opinion, it will help practically none.

Mr. Cardiff: Madam Speaker, I would like to ask the member for Algoma if he is indicating to us that he prefers the level to remain at $30,000, $60,000 and $90,000. It would appear from his remarks that he is asking for that level to remain there. Is that what he is indicating?

Mr. Foster: Madam Speaker, I was responding to the Member for Saskatoon—Humboldt as to the number who I thought would utilize it. In my opinion, there would not be many who would utilize it. What we are asking for—and I want to make this very clear—and what practically every major farm organization in this country is asking for is that the government leave the legislation that is in force now in place, obey the law and provide the money to these farm organizations.

The government should obey the law and give these farm organizations the funds that they are entitled to under the existing Prairie Grain Advance Payments Act and the Crop Advance Payments for Crops Act. That is what I am asking the parliamentary secretary and the government to do. I think if they pay attention to the 19 farm organizations which petitioned the Prime Minister yesterday after the meeting in Winnipeg, that is what they will do.

Mr. Ferguson: Madam Speaker, I want to ask my colleague a questioon. I have just received a communication that CIL Agriculture Lambton Works at Cartwright, Ontario, is laying off 150 employees throughout their organization. Will this bill, if it passes in the present form before this House, have a further impact on the farm economy that is reflected here in these lay-offs or are these lay-offs as a direct result of the free trade agreement?

Mr. Foster: Madam Speaker, I would have to defer to the Hon. Member for Lambton—Middlesex as I do not know the details of that particular lay-off.

I certainly do know, as the corn producers have demonstrated in the data which they have provided to the parliamentary secretary and to all the rural members in the House, that the benefits of this program go far beyond the cost to the government. You talk about the price of corn being increased 15 times what the program costs to the government. It provides a stable arrangement for marketing. It provides cash flow at the time the profit is taken off.

Clearly this bill will have a very adverse effect on this industry, which the Hon. Member for Lambton—Middlesex has spoken of, but as well for farmers throughout the country. A very small amount of money brings massive benefits to producers all over the country. I think especially of those who have No. 3 and No. 4 wheat in western Canada due to the wet harvest period in some areas. Many of them will not be able to deliver that grain to the elevator because there is so much abundance of it, at least initially.

They will not be able to get a cash advance because there are tests undertaken as to their financial viability before they will be able to get a loan under this program. In any event, they do not get anything because they are going to be paying the interest and the government is withdrawing its support for those producers who are already hard-pressed with a poor grade of crop.

Mr. Milliken: Madam Speaker, one of the principles of the constitution of our country is that there is an accountability to Parliament in that the government is responsible to the House of Commons. Here we are discussing a government bill and out of 38 ministers of the Crown there is not a single one in this House. I object to that. I submit that this is a contempt of Parliament. There should be at least one of the 38 ministers here listening to this important debate on a public bill.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mrs. Champagne): I do realize the hon. member wanted to make a point which he has made. He also knows very well that it is the way of this House that no one mentions the absence or presence of any particular ministers or members who may be attending. The hon. member has made his point. He also knows what we normally do in this House.

Mr. John Harvard (Winnipeg—St. James): Madam Speaker, it is nice to see you in the chair doing your usual competent, no, I would say, sterling job. I am delighted to take part in this afternoon's debate in the House of Commons. I would like to take note of the Minister of Energy, the senior minister of the government from my province. I hope he stays around for this afternoon's debate. You never know, he might even learn something. But I will not hold my breath.

My riding of Winnipeg—St. James is almost 100 per cent urban. Although I do have a few farms, and probably could count them on one hand, I can say I am concerned about Manitoba farmers and all Canadian farmers. I am proud to say that I was born and raised on a farm near that grand community of Glenboro, Manitoba which is probably a little more than 100 miles west of the minister's home community of Steinbach. That community is more famous for cars.

I am concerned about the future of Canadian farms. I certainly do not want to see them disappear. In my opinion farmers are still the backbone of this country and the backbone of our economy. After all, a nation that cannot feed itself certainly cannot survive for very long.

• (1650)

Today we will talk about this system of cash advances made to farmers, that is cash payments advanced against grains stored on the farm. As a number of speakers have already pointed out, this system has been in place for 30 years.

You can ask almost any farmer anywhere in this country and that farmer will say that the system of cash payments has been an unqualified success. Suddenly—I would say precipitously earlier this year—this program was suspended by the government. Of course, under this particular bill, Bill C-32, the government is bringing back the cash payments without a very, very important and vital feature. That feature is the interest free portion of the program.

Of course, this has left farmers puzzled and in limbo ever since this was first announced in the budget of last spring. Why this bolt out of the blue? I think that is what farmers are asking. Farmers certainly were not asking the government to put an end to this interest free portion of advance payments. They were not asking for it. The government went ahead anyway, apparently without any consultation, or with little consultation, which surprises a lot of people.

The Deputy Prime Minister comes from the province of Alberta. I understand that he represents, largely, a rural area with all kinds of farmers. He is the Minister of Agriculture. Yet he has done this. I would say that he certainly has been the point man in this particular exercise. I think farmers across the country have not only been surprised but stunned. In a way it has been carried out in a rather arrogant way.

I knew that I was going to be speaking on this bill today so I deliberately sought out a farmer friend of mine who happens to live in my riding but whose farm is actually about 100 miles outside of my riding. It is about 100 miles west of Winnipeg. The conversation I had with my friend I found rather revealing. My farmer friend made it absolutely clear at the beginning of the conversation that he—and I am sure that he is not an unusual farmer in this respect—is not looking for any assistance or handouts. He does not want to be on the dole in any way. He is very curious about what the government has been doing because he really cannot seem to get a handle on what the government is really doing.

Is this exercise part of some larger scheme, dropping the interest free portion of the program? Is this part of some new philosophy? Is it a by-product of the free trade agreement? After all, we know terms like harmonization, level playing field and subsidy negotiations. This is a subsidy. Lo and behold, the government eliminates this kind of subsidy or any other kind of subsidy is negotiated.

This government is very curious. It seems to sort of throw the game away before it even starts. As my farmer friend asked, if it is not part of a larger package, if it is not part of some new kind of philosophy, is it nothing more than just another austerity measure? If that is the answer, why pick on farmers for this particular kind of saving? If this government is really anxious about saving some money, and if it really wants to eliminate waste, why pick on the farmer? Why strip down this particular program that has been so useful, so efficacious, something that has helped the farmers for three decades in this country? Why pick on this program?

If the government wants to save money and if it wants to eliminate waste, I have all kinds of suggestions. Earlier this afternoon we heard the Minister of National Revenue talk about the possible hiring of 4,000 tax collectors to collect the GST, if it is implemented.

An Hon. Member: Shame.

An Hon. Member: Tax cops.

Mr. Harvard: Tax cops, that is the term, tax cops—tax policemen. That measure alone would cost Canadian taxpayers what, $200 million?

An Hon. Member: Easily.

Mr. Harvard: Easily, and perhaps more. Now, that is just one example. There are all kinds more.

How much money did the government, which is supposedly interested in saving money, spend on promoting that ill-conceived budget of last spring? The last time I saw the figure, it was about $2.7 million. Why pick on the farmer? Why spend all this money on the budget if you are that interested in saving money?

It has already spent hundreds of thousands of dollars in advertising the GST, something which has not been formally debated in this House of Commons. No money has been authorized, none whatsoever, by we parliamentarians.

Earlier this spring we heard about lavish spending in some of the ministers' offices. Just today I learned they were planning to spend over a half a million dollars on what is called an electronic information board at the VIA Rail station in Montreal. Now they are going to have to cancel that because of the cuts to VIA Rail and it is going to cost Canadians about $233,000—$233,000 for something they will never get, something they will never see.

That is the kind of government we have. Yet it is going to go after the Canadian farmer, the backbone of this country, to save what, $27 million? They are strange priorities that this government has.

Let us take a look at the specific proposal. The specific proposal would put an end to interest free advance payments. It has already been noted in the House that 19 producer organizations met yesterday in Winnipeg and appealed to the Prime Minister of the country not to go ahead with the bill. Is the government listening? I do not think so. Let us consider what just one or two of those organizations have said about the interest free portion of advance payments. They have put forward a case, in my opinion, that is blunt, succinct and worth listening to.

I want to read into the parliamentary record if I may, what the Canadian Federation of Agriculture has said about this. I quote:

> The interest free portion of the Advance Payments for Crops Act and the Prairie Grain Advance Payments Act are of vital importance to Canadian farmers. Making interest payable on cash advances will increase costs to farmers, and that combined with the increase in administration costs on the part of the government will make cash advances as costly as regular loans from financial institutions.

I am not saying this, nor is any other partisan Liberal in this House. This is what the Canadian Federation of Agriculture is saying. Its statement goes on:

> The amended programs would provide no advantage to producers, in fact their usefulness would be severely limited.

That is pretty precise language. There is no way that you can misunderstand this statement. The statement from the Canadian Federation of Agriculture goes on to say:

> The interest-free portion in both acts encourages orderly marketing. The Prairie Grain Advance Payments Act provides needed cash flow to producers during times of surplus stocks and tight quotas. It permits the Canadian Wheat Board the leverage to time sales to the benefit of the farmers. The advance payments—

The Acting Speaker (Mrs. Champagne): I am sure the hon. member will want to continue the next time the bill is being studied.

It being 5 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

THE ENVIRONMENT

ENVIRONMENTAL IMPACT ASSESSMENT

Mr. Robert Wenman (Fraser Valley West) moved:

That, in the opinion of this House, the government should consider introducing legislation to fully protect the Canadian environment through the institution of mandatory environmental impact assessment procedures which would allow for assessments, prior to the construction of installations, public or private, of projects which may prove to be potentially damaging to the environment.

He said: Madam Speaker, it is with a bit of a sense of *deja vu* that I rise today in the House of Commons to bring forth Motion 485.

Motion 485 is really the motion form of a bill I brought in over 10 years ago in 1979. Curiously enough, Madam Speaker, you have given this bill the title of 485. The bill title back 10 years ago was Bill 458. We have stuck with the same numbers and I hope that we will stick with the same principle of the bill as we move it from the motion and hopefully then into legislative form.

The motion states:

That, in the opinion of this House, the government should consider introducing legislation to fully protect the Canadian environment through the institution of mandatory environmental impact assessment procedures which would allow for assessments, prior to the construction of installations, public or private, of projects which may prove to be potentially damaging to the environment.

Time is required for any new idea. I recall back in the British Columbia legislature in 1966 I brought forth an idea on the environment that related to the establishment of green belts around cities. I recall it was seen as a little bit revolutionary at that time, and I had to keep pounding on it year after year after year.

Well, six years later the first green belt legislation in Canada in the same form that I presented the private member's bill was introduced. I am most pleased to see the same kind of thing happening here in Canada today. Certainly, patience is rewarded when substance develops from it.

To start to talk about this motion I think that we need to talk first a little about the philosophy—the reason for—and I think that I was reminded about the reason for on a recent trip to Asia from which I just returned. I thought as I looked at the development in the newly developed countries that the development community of those newly industrialized countries could of living, the quantity of life, at least.

I wondered as I looked at the development of these newly industrialized countries how much had been really achieved when one can't drink the water, breath the air, or find a healthy patch of green among the intense density of black and grey of pavement and concrete and among the shiny glitter of new glass and steel jungles.

The newly industrialized countries have both gained and lost as they have developed in the rapid sense of the last few years. It seems they have developed without an adequate sustainable development ethic. A quality of life rather than a quantity of life will next become an ethic that they, too, will embrace as our society has .I wonder if they will be able to afford the redevelopment costs required to meet the demand for the quality, sustainable development lifestyle necessary to ensure the survival of our global environment.

We must, in fact, develop a value that thinks of before-the-fact prevention, that accesses the environmental impact of development before the development occurs rather than after the damage begins. We must add to the rhetoric of sustainable development a practical alternative. That is the purpose of the motion before us today.

I was pleased to receive a letter from the Minister of the Environment which stated: "I am familiar with the bill that you sponsored in 1979 because it was the first initiative that would have made it statutory requirement to conduct an environmental assessment of all proposals falling within the area of federal responsibility. Although we may differ in some details, the essence of my views on EARP reform is very similar to the concepts that you have long proposed.

I am planning comprehensive legislation to reform the federal EARP. The central features of the reformed process will include the integration of environmental and economic matters in all federal projects, programs, and policies; mandatory environmental assessments for all activities, both public and private, within the decision-making authority of federal institutions; more systematic checks and balances within the process to ensure that all proposals falling under federal authority would be properly assessed; better public consultation on government initiatives so that citizens will have a fair opportunity to respond to activities that could adversely affect their environment; and the streamlining of procedures to avoid costly and often confusing duplication".

I was extremely pleased with those words from the Minister, and with this House I wait in anticipation for the results of that legislation.

I have left the motion before us today particularly open in order that members of the House would have the opportunity, in our discussions of this motion to, as the minister said, differ on some details. Yet when it comes to the vote on the motion, we could agree in principle and all may with full and clear conscience vote in favour of this motion thereby truly stating the intent of the House of Commons for compulsory environmental impact assessment for Canada and that it should be brought into law.

Since the government has already agreed to present legislation, this debate has a special purpose because it can give before-the-fact of legislation the government an opportunity to absorb the ideas of the House of Commons. In fact, that is what environmental assessment impact before-the-fact is all about; that we should consider it in advance and then proceed to the development.

In this case, I am calling for before-the-fact discussion of environmental impact assessment legislation that the government itself might examine the debates and choose from the ideas of the members of the House of Commons in fulfilling their own mandate for an improved version of a bill that they might well be drafting at this moment.

Therefore, I think it would be important in my motion to mention some of the details that may perhaps not be mentioned in the bill itself. Naturally, the motion before the House of Commons refers to matters within the jurisdiction of the House of Commons and that is defined in the bill. In the motion it does not say exactly "the federal government jurisdiction". But I think that we should take it to mean that because, in fact, how can we do more than deal within federal jurisdiction.

If we want a further reference to that, my Bill C-458, presented in 1949, states that intention very clearly. On page 3 of the original Bill C-458, it defines specifically what is the jurisdiction. It states that the jurisdiction applies to undertakings carried out by or on behalf of the Government of Canada, by or on behalf of any Crown corporation, by or on behalf of any Crown agency, by any person when the undertaking is supported by whole or in part through contracts, grants, subsidies, loans, or other form of assistance from the Government of Canada, by any person when the undertaking has been approved in principle for which funding has been approved before this Act is proclaimed in force but where no construction has begun, and within the legislative authority of the Parliament of Canada.

• (1710)

While the motion may not specifically define it, one of my purposes today is to give that definition, at least as I understand it in relationship to my bill, and that is referring, of course, to federal authority.

Section 3.(1)(a) of the bill further outlines what should be included in an impact assessment and concludes that such an assessment should include a summary that could be understood by the ordinary, reasonable person for public notice and for hearings as well as time limits for decision.

I believe that all of these factors would be important because if there is going to be a public hearing process, certainly any environmental impact assessment will have to be readily understood by a reasonable man, and in the hearings we would like to see time limits for a decision because too many times we have legislation that is created in the environmental field that seems to be designed more to throw sand in the gears then to accomplish a very direct purpose.

Therefore, any legislation, if brought in, should have those kinds of time lines. Of course, it will require compliance and compliance means that a fine that is appropriate to ensure that compliance should be included as well.

How can I say it is now time for such compulsory environmental impact assessment? One only has to look to the government's own view. In the Speech from the Throne in April the government made the concept of sustainable development one of its commitments.

Another example is the new direction in thinking signalled by the Prime Minister's decision to establish a new committee of cabinet, chaired by my colleague, the Minister of the Environment, the purpose of which is to put environmental concerns at the heart of government activity and all government decision.

Of course, this government has taken other action. The accelerated attack on air pollution by further restricting vehicle emissions is notable. The Montreal Protocol aimed at reducing ozone and depleting CFCs is another. The reduction of sulphuric acid rain causing emissions produced here in Canada is another positive step. But all of these things have one thing in common. They are designed to be corrective. They are designed to correct mistakes that perhaps would not have been made if in the development process we had considered in advance the environmental impact. It would have been much cheaper and much safer. Our environment would not be experiencing the damage we are experiencing today if it had been before-the-fact as this now suggests.

There is no doubt that the Canadian people want action on the environment. They want sustainable development, but what does sustainable development mean except a series of rhetoric and words unless we put the legislation behind it to give it meaning and substance and impact.

I feel the fact that this motion calling for this impact assessment is a motion coming out of a Private Members' Bill can be quite a tribute to the House of Commons. If a Member of Parliament, a private member, can bring forth a substantial idea and over time the government can take that idea and expand it into its own, it makes Parliament itself a very worth-while place to be and to participate in.

I will have an opportunity to speak about this again in closing the debate. I have spoken about it for over 10 years in this House of Commons. I congratulate the government for its intention. I look forward to the legislation. I look forward to the support of all Members of the House of Commons to state clearly to the people of Canada, through their vote in favour of this motion, that we will support the principle of compulsory environmental impact assessment for Canada through legislation.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I would first like to congratulate the speaker for bringing forward a bill which should be a hallmark of all government environmental legislation. The member has, in his work on the environment committee, as well as his specific work with the Western Canada Wilderness Committee in relation to Carmanah, shown himself to rise above the petty fray of partisan politics in dealing with this issue. It is something that Canadians appreciate, and I know his constituents appreciate it as well.

It is particularly appropriate that this private Members' initiative comes out on a day when there is a revolt in the ranks of the government as it relates to potential environmental issues , namely, the revolt about VIA Rail. The government's cut-back attempt has been back-tracked. A member is shaking his head on the other side, not the member who introduced the motion, but another member saying where is the connection. I think that is the very point of the private members' bill we are discussing now. That is, to every action there is a reaction. It has reached that point. This was recently underlined in a survey published by Southam News in considering Canadians' violent reaction to our government's lack of action in the area of the environment.

VIA Rail is one area where government policy will have a direct negative impact on the environment. Train travel is the most pollution free on a per capita basis and the most effective mode of moving from point A to point B. I found it particularly shocking to learn last night, as we did in the environment committee, that there has been no environmental involvement in the decision to cut VIA Rail. The motion put forward today was actually introduced in a prescient fashion by the member on May 31, 1989. The motion states:

> That in the opinion of this House the government should consider introducing legislation to fully protect the Canadian environment through institution of mandatory environmental impact assessment procedures which would allow for assessments, prior to the construction of installations, public or private, of projects which may be potentially damaging to the environment.

That particular motion speaks of the need to review all government policies. I only have to refer back to the words of the Prime Minister himself during the election campaign when he said in a commitment to the people of Canada that every decision of this government would involve an economic analysis and an environmental analysis. He said, for anyone who cares to read his words during the election campaign, that the importance of environmental assessment would be equal to that of economic assessment. Here is the first time his train has been derailed on the VIA Rail question.

Here we have a situation where clearly there are economic considerations which have been expanded upon *ad nauseam* in the House of Commons. One might argue that the Minister of Transport does not blink an eye at spending millions of dollars of the taxpayers' money on an ongoing basis to subsidize air travel. That is a commonly accepted practice perhaps in part because most Members of Parliament tend to travel by air and we like to get out of clogged airports.

The same economic arguments that the minister is using to kill VIA Rail have not been balanced off by the kind of environmental arguments that should follow any kind of environmental assessment. In the particular motion we are discussing here, it would necessitate a full federal environmental impact assessment before a travesty like the Rafferty–Alameda dam, before a potential movement in the area of parks construction such as Sunshine, before the Old Man Dam, and before the eight pulp and paper mills that are being proposed for northern Alberta.

As I read the motion of the hon. member, it would permit assessments of private and public projects which may prove potentially damaging to the environment, so I am assuming he would include Carmanah. Even though the timber rights in Carmanah are of specific provincial jurisdiction there is a national interest involved. I visited it myself with my daughter and walked into the valley and had a wonderful experience. I saw more of British Columbia and more of our Canada in nine days than I had seen in a lifetime. Having gone into Carmanah, having seen the valley and understanding the topography, I could not believe that the decision on whether or not to log the hillsides of Carmanah was going to be made on the basis of a study that was conducted by the company.

• (1720)

Canadians want companies and governments to take a step back and be prepared to subject projects to the most rigorous independent examination. In a similar fashion—

[*Translation*]

Similarly, if we look at Phase II of the James Bay Project, Hydro–Quebec should have done an environmental impact analysis to see whether there had been any environmental problems during Phase I. However, we may be sure that if the onus is on the company to do the study, it will not be done objectively, so that Canadians can trust the results of the study, and this also applies to the Carmanah study being done by MacMillan–Bloedel. Canadians won't trust a study by Hydro–Quebec on the impact of James Bay on the environment. Why didn't the Minister of the Environment (Mr. Bouchard) have the courage to say: I'm the Minister of the Environment and I'm going to ask for an objective analysis, in addition to the one by Hydro–Quebec, an analysis that will not involve anyone with a vested interest in Phase II. The way the Minister reacts to these challenges —What does he do? He says: It is up to the company to decide. It is up to the Minister of Transport to decide whether he wants to do an environmental impact analysis with respect to VIA Rail.

[*English*]

That is one of the reasons why this particular motion is really necessary for the government to proceed to restore the confidence of the people in our leadership, and to restore the confidence of the people in particular in environmental questions.

I actually sat at the table, when I was travelling through British Columbia, with some people in the forestry industry who told me the reason that the Japanese are so effective at utilizing all their resources is that they are very disciplined and are prepared to recycle while Canadians are not.

That was stated to me by somebody who was responding to my suggestion as to why we are not seeing companies get into the recycled paper business in a much greater fashion. It is because Canadians want that type of product to be available. His response was, "Well, we are not disciplined. We will not recycle." I beg to differ with him.

Canadians are far ahead of the politicians on these matters. What they do want is independent environmental assessments. They want the government to have the tools to step in where a private project clashes with the public interest. They want to make sure that the environmental assessments being conducted are not being carried out by people who have their own partisan economic interest at heart, but rather carried out by somebody who can step away from a moment and look upon them in an entirely objective fashion.

That could be achieved by adopting this particular motion. What we should be doing as a House is wholeheartedly supporting this motion and giving the member every support that we can to ensure that it gets the full support on all sides of the House in order that we can move.

I would suggest that there is a first area where we could utilize this motion, with possibly some amendments. I know under the current private members' discussion that might not be allowed. But if we had a proper reference to committee, and we moved into committee immediately, we could be dealing with some amendments, so that we could deal not only with construction of installations, public and private projects, but also with destruction of installations, public and private projects. In that way we could also capture the essence of the VIA Rail question in this particular motion.

I congratulate the member for bringing it forward. I congratulate his colleagues who jumped ship, or derailed the government's initiative on VIA Rail by agreeing to have public hearings, because I think you are going to see the environmental aspects of the VIA Rail question explored in much greater detail in the pubic hearing mechanism which is now being allowed by the majority vote of the Transport Committee.

Ms. Lynn Hunter (Saanich—Gulf Islands): Madam Speaker, I would like to join with my colleague from the Liberal Party in supporting this motion. I would like to support this motion, but I would like to point out to the House that it does nothing really to advance the debate, the big debate in Canada, that is about environmental protection and sustainable development.

I would also like to remind the House that the member for Fraser Valley West, the mover of this motion, has been a member of Parliament for many years and has been a member of this government since it took office in 1984.

People are increasingly frustrated with the combination of nice talk and no action from this government. So, as I said earlier, while I support the motion, I do so with some degree of cynicism. It is my hope that this motion is not just another example of empty words being piled on empty words. In the crisis which confronts us we need far more than words. We need action. I pose the question: what is worse than nice words and no action? Let me answer that. It is nice words and wrong action, which we are seeing increasingly from this government.

The Minister of the Environment promised that there would be environmental assessment on all megaprojects. Where does the Rafferty–Alameda project fit in with that? It is incumbent upon this government to reaffirm its commitment to that process or to come up with a new one. I listened to the member for Fraser Valley West reading in the letter from the Minister of the Environment that there was a process coming. Well we look forward to that, because so far we are getting a lot of words and no action.

A beginning to this whole debate about what constitutes a megaproject should be the definition of a megaproject. The record shows that at present the application of EARP is very limited. Any financial, military, agricultural or forestry decision should be subject to environmental assessment. The GST, for example, should be considered a megaproject and subject to environmental assessment. As it stands, it is environmentally unfriendly. Bicycles are taxed at the same rate as cars. Gasoline and fuel are taxed at the same rate as solar cells. So when we talk about sustainable development, environmental assessment and megaprojects, we have to think about more than just dams and oil wells. We have to think of the big things like the tax system.

In the House yesterday my colleague from Skeena in a question to the Minister of the Environment managed to extract from the minister the admission and I quote "that on budgeting, in particular does not fit in at all with the already existing mechanisms". I put to the House that we have to rethink what is meant by the word "megaproject".

My colleague from the Liberal Party also pointed out the kind of contradictions that are implicit with the decisions made by this government around VIA. The dismantling of passenger rail service in this country is a major problem. I give you an example. There is a lobby pushing right now for a $17 billion overhaul of the Trans-Canada Highway.

• (1730)

Airlines are asking for deregulation, and VIA is being shunted out. Rail transportation, as has been demonstrated in Europe, is the most environmentally appropriate means of moving big quantities of people. We have to take all the environmental costs into account. When we are talking about subsidies and the government's linear thinking on what constitutes a subsidy, we have to consider what are the real environmental costs of the dismantling of VIA Rail.

In order to advance the debate, I would like to put to the House an idea put to me by my colleague from Prince George—Bulkley Valley. It is the idea of an environmental gazette. I know the government now has many documents such as those which are let for contracts so that businesses may see what was coming up and have an opportunity to bid.

The same goes for regulatory reform, with a document produced by the government so that people who are interested in such things can see what is planned by the government and to assess how they can take part.

An environmental gazette follows on from that idea. It puts it back into the public process so that people can understand all federal projects or provincial projects and, as the motion states, even private projects which have to be assessed. They would be in this gazette and the project, with a rating of what the problems or lack of problems might be, would be assessed for the public record.

In closing, Madam Speaker, I would like to put that forth in an honest attempt to try to advance the debate. As I said, I and my party support the motion, but we feel increasingly frustrated that there is lack of action in this area.

[*Translation*]

Mr. Gabriel Desjardins (Témiscamingue): Madam Speaker, I must admit that I did not expect this debate to be about VIA Rail. I think VIA Rail is taking up a lot of time in the House and I also think we should focus more on the motion itself and on considerations that are more pertinent to the motion presented today by the Hon. Member for Fraser Valley-West (Mr. Wenman).

I would like to start by congratulating the Hon. Member on a motion that is in the national interest, and of course the environment is a priority for Canadians and this Government. However, I must inform the Hon. Member that quite honestly, I have some reservations about his motion because although it is practically a motherhood issue, the motion does give rise to several problems and I am sure the Hon. Member will agree.

First of all, I suppose it helps to represent a region like Abitibi—Témiscamingue or Saguenay-Lac-Saint-Jean or the Gaspé to realize what a severe impact reckless industrial development during the past decades has had on those regions. A short visit to Abitibi—Témiscamingue is enough to see to what extent industrial development has affected our environment. Thousands of lakes are contaminated, the air we breath is polluted, the ground we walk on is contaminated, all as a result of 50 years of uncontrolled industrial development. In a region like mine that is entirely dependent on our sawmills and our mining industry, I hardly need to describe what our ecology is like today, and that is why a motion like the one before the House is certainly a step in the right direction.

In 1987, we had the Brundtland Report which introduced the concept of sustainable development, broadly endorsed by Canada and our Government.

The Hon. Member's motion is certainly in line with this goal of providing for sustainable development.

The motion before the House today reads as follows:

> That, in the opinion of this House, the government should consider introducing legislation to fully protect the Canadian environment through the institution of mandatory environmental impact assessment procedures which would allow for assessments, prior to the construction of installations, public or private, of projects which may prove to be potentially damaging to the environment.

Madam Speaker, this is an important motion which deserves consideration.

As for setting up an assessment process, we know the Government will shortly be tabling legislation to strengthen the present assessment process which has become obsolete. The forthcoming legislation is the result of wide-ranging consultations that took place in this country between November 1987 and March 1988, during which the Government consulted with the provinces, the territories and numerous experts.

We can therefore expect the new legislation on the assessment process to ensure consideration of environmental impact phenomena when building public or private infrastructures.

Madam Speaker, several provinces, including the province of Quebec, have already passed similar legislation. The Quebec legislation on the environmental assessment process goes back to 1972 and was amended in 1978. Changes were made in the housekeeping provisions for preparing and reviewing impact studies where the Government is involved in issuing permits for projects that are subject to the new process.

Provision has been made for the public to be able to express its concerns to the Department of the Environment with respect to these projects.

The process must be administered in accordance with regulations established by the Government. The latter may exempt a project and issue a permit in order to repair or prevent damage caused by a real or apprehended disaster.

Under this legislation, environment means water, air and land or any combination of one or the other or, generally speaking, the interacting natural systems, including living organisms. But Quebec went quite a bit further, because the regulations on environmental impact assessment and review broaden this definition to include fauna, flora, human communities, cultural, archeological and historical heritage, agricultural resources and the use made of the surrounding resources.

Under the law, the Deputy Minister of the Environment or the Government may issue the authorization certificate.

The technical services of the Quebec Department of the Environment check to see whether the project will be authorized by the Deputy Minister or subject to the environmental assessment and review process. In the latter case, they prepare a guideline for the impact study to be carried out, in consultation with the developer and the other departments concerned.

Later, they have the Environment Department review the impact study and make recommendations concerning the environmental acceptability of the project and the appropriate control and follow-up. Once all that is done, they supervise the implementation of the conditions contained in the decree or authorization certificate.

The Environmental Public Hearings Board is responsible for helping the public review the application. It holds public hearings on the project at the Environment Minister's request and writes a report on the public's concerns for the Minister.

Every citizen is entitled to a healthy environment and to environmental protection, and in accordance with the amendments made to the Act in 1978, may take legal action against a developer if the law is not obeyed.

So I think that the Quebec law might assist the federal Government with the legislation it is preparing to present on the assessment process.

• (1740)

I was just saying that I had reservations about the Member's motion as regards legislation on private installations. I think that the Hon. Member will agree with me that legislating on private installations is impossible without federal-provincial agreements, because private installations often fall under provincial or municipal jurisdiction and federal-provincial coordination would be required in order to legislate.

Our Government is not a dictatorship and we do not impose our views on all the provinces. We will therefore have to cooperate with them in order to come up with satisfactory legislation.

The Hon. Member in his speech referred to the Government's environmental achievements. I think that since 1984, we have made great strides in terms of the environment. I was just saying that because we have inherited 50 years of uncontrolled industrial development, we face a big challenge today.

One of our Government's major achievements was to pass an environment bill last summer which provides very heavy penalties and fines for those in the private sector who continue to pollute our environment.

I think that, first off, imposing heavy penalties and fines— Some industries and companies have already been taken to court under this law. What the people are telling us is that they expect governments to apply existing legislation firmly. I think that the present law provides penalties and fines that will keep industry in line.

So, Madam Speaker, you are signaling me that my time is up. I just want to thank the Hon. Member for giving us the opportunity to debate such an important subject. If his intention was to make the Government aware of the importance of having assessment processes, the message was received loud and clear and the Government will certainly take it into consideration.

[*English*]

Hon. Chas. L. Caccia (Davenport): Madam Speaker, the member for Freezer Valley West is to be congratulated on his fine initiative. It gives us an opportunity, as the member from Témiscamingue just said, to focus on this very important issue and the absence of an important policy instrument on the part of the federal government. It also helps us to remind the government of a promise made during the 1984 election that there would be a legislated environmental assessment and a review process. I am sure that his initiative today will help in prodding the government to find the political courage and the necessary will to deliver at last on this front.

I am intrigued by the intervention of the member for Témiscamingue when he says yes to the public works and the assessment from an environmental point of view on public initiatives but no when it comes to private works or public endeavours. It may be that the member for Témiscamingue will want to review his attitude in the light of what an environmental assessment is all about.

An assessment and review process from an environmental point of view means to find out ways and means to protect and possibly save native lifestyles, wetlands, wildlife, fisheries, rivers, lakes, trees. It means making a choice between modes of transportation, as we are presently debating, between railway versus highway transportation and the like.

Therefore, the division that the member for Témiscamingue makes between the private and public sector is really an artificial one because if you are interested in the environment, not only in its protection but also in making the development sustainable from and environmental point of view, then of course you cannot make that distinction. It becomes an artificial line and, therefore, you would also want to assess a measure not only when Canadian National wants to widen its tracks or build a bridge or over some salmon fishery, but also when it comes to the building of a pulp and paper mill. You would not only want to analyse a gas pipeline built with public funds, but also when it comes to the construction of a new foundry or a new smelter.

In other words, you have to decide which is your perspective. You cannot argue for an environmental review when it is a public initiative, but not when it is private. You may want to argue whether it is a provincial or federal issue, that is only fair. You may want to make sure that when it is provincial it is as good as the federal one, or when it is a federal that it is as good as the provincial one. Sometimes you may want to watch the standards that the two apply. Be it the construction of a tunnel, a bridge, a dam, a railway track or highways, as well as any new venture in the private sector, you would want to approach the matter with the question: "How can I ensure the protection of the environment"? In some cases, if there is a conflict in the long term, you should determine what are the alternatives to this project.

What has catapulted this whole question of reviewing and assessing a project from an environmental point of view has been the decision by Judge Cullen a few months ago. We decided that a cabinet decision which dates back to early 1984 under the Liberal regime was a decision that had to be interpreted as being not voluntary, but mandatory. It is that decision which has really given new momentum to this whole question and importance of environmental assessment.

The member for Fraser Valley West has shown over the years consistent and persistent effort and attitude and somehow is reaping the benefit of history working in his favour. In that sense he has demonstrated that he is a very fine Parliamentarian.

On the other side of the House, as you have heard, there is full support for his measure. We believe that the

legislation that is to come down soon, hopefully, should as a minimum include in addition to legislative authority a mandatory process for each federal project and also for policies and programs. It will be difficult, but if we mean business and mean what we say by embracing the notion of sustainable development, it is very crucial.

We would also urge, as a minimum, assessments for environmental impacts and for environmental sustainability of a proposed project. We would urge, as a minimum, a provision whereby a project can only proceed when the environmental assessment is published and publicly reviewed and not afterward, as it has sometimes happened in the past. Before a decision is made to proceed, the assessment not only has to be made known, but be published and a public review possibly take place within 90 days of the publication of the assessment. I am sure that the Member for Fraser Valley West has thought about this component as well. It would also be desirable in the new legislation to have a mandatory debate in this parliament for major projects. It would be difficult in legislative terms to define what is a major project. It will take some ingenuity but that can be resolved I am sure in order to ensure that the parliamentarians of the day, particularly when it comes to a pipeline or a proposed tanker route, will have an opportunity to express their views and give governments an indication as to where the majority of parliamentarians stand on that particular proposal.

• (1750)

Finally, it is essential that in the legislation that is expected that there be included a program for the funding of intervenors. People who may be living in the remote parts of the country may want to speak, for instance, about a proposed dam in northern Alberta, a proposed pipeline in the Northwest Territories. In order to be heard, there is the necessity for them to travel and therefore to be funded.

If you think about environmental assessment and what is really behind this very heavy phraseology and what this review process is all about, in essence it is an assessment as to the impact in the long term, the economic and environmental impact in the long term, which come together usually if they are approached with the long term in mind. It would be the economic impact on native communities when something is being planned from outside those communities. It could be the impact on certain non-quantifiable things such as the beauty of a landscape or, if you like, the quality of life or of wildlife itself. Therefore what we are talking about here is not an abstract notion but a very real one which may not be easily quantified in practicable terms but which must be done if we really mean what we say about sustainable development.

Mr. Brian O'Kurley (Elk Island): Madam Speaker, I welcome the motion of the member for Fraser Valley West.

First, I would like to congratulate him. As some of us will recall, he had the foresight a decade ago to recognize the need for comprehensive federal environmental assessment legislation and introduced his Private Members' Bill, the environmental impact assessment bill.

The member's motion is indeed timely because the government will introduce, this session, its proposed environmental assessment bill. It will require an impact assessment of all proposals for which the federal government has decision-making responsibility, but will respect areas of provincial jurisdiction.

As we know, there has long been a need for legislation that provides for sound environmental management and planning. We can no longer afford to be simply reactive to environmental matters. We must consider environmental aspects when planning every federal proposal. The public has expressed its rising concern over the last decade. Citizens from all walks of life recognize that neglecting the environment threatens them individually as well as casting an ominous shadow over the future of the entire human race.

Canadians have spoken out in various ways, through demands to their elected officials, through participation in environmental groups and through a constant expression of concern in public opinion polls. Our business community is investing in environmentally improved methods. Canadian scientists are also cautioning us of the mounting threat to our way of life and ultimately to our survival.

As is known since it was first elected in 1984, this government has acted with purpose and direction. It passed the Canadian Environmental Protection Act, created a special committee of cabinet and will soon put forward a comprehensive environmental assessment bill.

The government has recognized that our environment is under threat. Many species of Canadian plant and animal life are in danger. Our forests must be systematically replaced after cutting. Our farmlands must be guarded against overuse and misuse, as well as urban sprawl. Our lakes must be protected against acid rain. Our communities must have environmentally sound sewage facilities. The mountains of household waste we generate daily must be disposed of in a manner that causes minimal harm to our environment. Toxic substances must be contained, managed, and disposed of in a safe way.

The challenge is great here at home, but both our federal and provincial governments are rising to this challenge. They are developing a broad system of environmental legislation, regulations and policies.

I would like to move from the general to the specific with a few real examples and some thoughts on their implication. Fifteen million acres of productive land around the world are converted into worthless desert every year. In Canada alone we lose 26 acres of productive farmland every hour to urban sprawl. More than 27 million acres of forest land throughout the world are destroyed every year. In over three decades that is an area equivalent to Canada's entire land mass east of the Manitoba–Ontario border.

The implications are increasingly known. These forests are the lungs of the planet. They are the major regulators of oxygen balance in the atmosphere and exert an important control on global precipitation and moisture exchange. Both on land and in the oceans the largest and most complex species of plants and animals, the highest products of evolution, are facing extinction. The giant redwoods and sequoias of America, the Canadian grizzly bear and the whooping crane, the condor of the Andes, the elephant and the rhino, the blue whale, the giant panda of China, are all seriously threatened.

I have commented on the abuse of our land and water. I would like now to turn to the use of the air we need to breathe in order to live. In the words of the International Conference on the Changing Atmosphere, humanity is conducting an unintended, uncontrolled, global pervasive experiment whose ultimate consequences could be second only to a global nuclear war.

We of the so–called developed world like our mobile and air conditioned creature comforts. We burn gasoline and we use fertilizers and what we reap is carbon dioxide and methane. These accumulate in the atmosphere and trap solar energy reflected from the earth. The result is an increase in surface temperature. What you have heard is referred to as the "greenhouse effect".

Scientists predict an average global warming of about 4 degrees Fahrenheit within the next 45 years. That may not sound like much when local temperatures typically change 20 degrees from day to day, but a global change of 4 degrees within such a short time will alter precipitation patterns and vegetation zones throughout the world with potentially disastrous consequences in some regions.

Global warming will cause world sea levels to rise as the heated oceans expand and glaciers and ice caps melt. The rise in the next 45 years is expected to be about five feet. It will, for example, place permanently under water lands currently home to 25 million to 40 million people. Low–lying cities such as Charlottetown and Saint John could be inundated. Prince Edward Island could be divided into three or four islands and maybe eventually disappear under water.

Still, more ominous is the growing threat to stratospheric ozone, that thin blanket of gases around the earth that protects the human race and other life forms.

[*Translation*]

The Acting Speaker (Mrs. Champagne): The period for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 93, the order is dropped to the bottom of the order of precedence on the Order Paper.

PROCEEDINGS ON ADJOURNMENT MOTION

• (1800)

[*Translation*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

POVERTY—GOVERNMENT POSITION—PEOPLE LIVING BELOW POVERTY LINE—MINISTER'S POSITION

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Madam Speaker, it has now been four months since I rose in the House and asked the Prime Minister to do something about the fact that the province of Quebec is the second poorest province in Confederation. On June 15, the Canadian Council on Social Development announced that a quarter of Quebec families lived below the poverty line. Madam Speaker, that is a total of 615,000 households or two and a half times the population of Laval.

Since its investiture, this Government has tried to project the image of responsible management. It tried to convince Canadians that it was the best administrator of Canada's economy.

If we refer to the data submitted by the Council last spring, we see that this Government's economic policies are not the answer to the needs of Quebec and Canada.

Since the Tories came to power, they have constantly added to the load carried by low-income Canadians. The Government has withdrawn from unemployment insurance, leaving this fundamental social program in the hands of business and labour. It has introduced a 9 per cent tax on goods and services, which will have a devastating effect on families living below the poverty line and on families living in this country's remote areas.

This Government's policies have widened the gap between rich and poor in Canada. While there are plenty of opportunities for those who are well off, the future for Canadians at the bottom of the scale is far from rosy.

I am sure the Minister will answer that this Government has created more than 300,000 jobs in Quebec since it came to power in September 1984. Madam Speaker, we are not only concerned with quantity but also with the quality of those jobs. The Government must realize that the kind of job a person has is very important. That we continue to have working poor in Canada is shameful and must stop.

Madam Speaker, 29 per cent of Canadian families living below the poverty line have at least one member who is employed the year round. How can this Government be so confident about its economic agenda when the ranks of the working poor are swelling every day? Can you imagine what the statistics look like when we consider the number of families that depend exclusively, on seasonal employment? Does this Government realize what impact its unemployment insurance and fiscal policies will have on the poorest regions of this country?

Madam Speaker, Canadians are sick and tired of hearing the Prime Minister and the Minister of Finance hold forth about the number of jobs that have been created and how wealthy they have made this country, while one-third of our poor families have one member working full-time. People are sick and tired of the disappointments and problems they have to live with under this Government.

The fact is that this Government does not invest in the future of this country. It has cut transfers to the provinces for post-secondary education, for instance. Instead of giving Canada's youth the skills it needs to be competitive on world markets, the Government has decided to invest unemployment insurance funds in tenuous training programs. Basically, Madam Speaker, this Government would prefer to invest in retaining the low-income status of many of its citizens instead of giving them the education they need to become independent and prosperous.

• (1805)

As concerned citizens, we must demand that this Government be fair and equitable. This Government has been anything but that. In the first place, the Conservatives signed the Free Trade Agreement with the United States. They promised to provide the best possible programs to help displaced workers escape the poverty trap. Unfortunately, when the effects of the Agreement became obvious throughout the country, the Conservatives decided that there was no longer a real need for substantial programs.

The Government then decided to withdraw from unemployment insurance. It is obvious that the Prime Minister thought that it was wise for the federal Government to withdraw from an important social program before his dear friends to the south defined it as a subsidy. This policy will take food from people's mouths and invest in training programs that will just put people in routine, dead-end jobs, without breaking the poverty cycle.

To top it all off, Madam Speaker, we have the new goods and services tax. The Minister of Finance said that it would be revenue neutral. He has since changed his mind and decided that it would be a way to reduce the deficit. With this new source of revenue, the Government will squeeze $5 billion more from the Canadian people. Some Hon. Members on the Government side have themselves spoken against this Conservative attack on low-and middle-income people.

Is the Government perhaps trying to mislead Canadians by telling them the tax will be 9 per cent, knowing very well that they intend to introduce a 5 per cent tax which would be accepted as a lesser evil?

In essence, Madam Speaker, my question is about fairness and equity. How can the Government be so sure of its economic performance, when its performance with people is so different? Why are so many workers in Quebec in poverty? How come my province has become the second poorest in the country? More than 50 Conservative Members (from Quebec) sit on the other side of the House, but what good has it done the province? My question is and remains: What does the Prime Minister intend to do to end the widening gap between rich and poor and how will he stop Quebec from having the highest rate of poor families in Canada?

[*English*]

Mr. Bill Kempling (Parliamentary Secretary to Minister of Employment and Immigration): Madam Speaker, on behalf of the Minister of Employment and Immigration, I wish to respond in greater detail to a question of June 15 by the Hon. Member for Saint-Laurent.

The question dealt with the government's position on poverty. The best social program is a job, not just any job but a secure and rewarding one. A good job is also the surest ladder out of poverty.

The measures this government is proposing as part of the Labour Force Development Strategy will provide all Canadians, men and women, with the opportunity to acquire skills necessary to get a job and to climb out of poverty. Thousands of women have already benefited from the programs offered under the Canadian Jobs Strategy introduced by this government in September, 1985.

During 1987-88 more than 160,000 women, youths and disadvantaged workers participated in programs under the Job Entry Component of the Canadian Jobs Strategy. The increased emphasis on active spending under the Labour Force Development Strategy will further benefit women by providing them with the opportunity to acquire skills necessary to get a good job.

As part of the Labour Force Development Strategy, we are significantly increasing social assistance recipient programming. With the co-operation and participation of the provinces, up to $200 million, an increase of 33 1/3 per cent, will be available for additional programming directed at improving the employability of social assistance recipients.

This additional $200 million is targeted specifically at those who fall below the poverty line. This money will enable these people to undertake training and skill enhancement necessary to break the cycle of poverty. The new programs we are introducing will allow these people to trade their welfare cheques for a pay cheque.

The increased funding for social assistance recipient programming is significant. That is not all we are doing as part of the Labour Force Development Strategy.

• (1810)

UI coverage will be expanded to workers who choose voluntarily to remain in the labour force beyond age 65. This will substantially enhance the income security availability to seniors.

I emphasize, Madam Speaker, that the changes we are making in the unemployment insurance program are modest in scope. Claimants who need UI benefits will continue to get them. Provincial welfare rolls will not increase significantly because of these changes.

UNEMPLOYMENT INSURANCE—PROPOSED AMENDMENTS TO ACT—IMPACT OF PROPOSED AMENDMENTS ON EMPLOYED

Mr. Ron Fisher (Saskatoon—Dundurn): Madam Speaker, I am asking about a response which I considered to be inadequate some time ago from the minister's office. My accusation in the question was that the changes to the Unemployment Insurance Act, Bill C-21, fell so far short of what was needed by Canadians as to be something which ought to be withdrawn and would receive very little support not only from the New Democratic Party but from people all across the country.

The response, as is usually the case, did not address the question at all but referred to how much training was going to be done, how those who were unemployed were going to benefit so much from the expanded jobs under CJS and how, in some cases, even people who are on social assistance would be receiving so much benefit because of the changes to the Unemployment Insurance Act, Bill C-21.

Many of the things referred to by the minister had nothing to do with Bill C–21 which I was addressing specifically. When you talk about the social assistance programs as they are referred to under the unemployment provisions, it does not have anything to do with Bill C–21 other than the source of funding which we will come to in a minute. When they talk about entry and re–entry into the labour force, it does not have anything to do with Bill C–21 because people who are entering and re–entering the labour force after a long period of time would not have any way of accessing the unemployment insurance fund which is what Bill C–21 is about. References to human resource development, which is a rather amorphous term and I assume includes all the foregoing, again has nothing to do with Bill C–21.

Bill C–21 has to do with what has been referred to as the gutting of the unemployment insurance program as it has been known in Canada. It has to do with what has been referred to in parts of Canada as the implementation of a social stock prod that was introduced by the government, substantiated by government members during the travelling of the committee subsequent to the summer recess, on the basis that there was a tremendous amount of abuse of the system as it was presently constituted. This is in spite of the fact that time and time again the minister herself said "No, there is not much abuse, abuse is minimal, this is not why we are putting it in. We are putting it in to improve training so people will be able to access all these wonderful jobs that are available in the community".

Since the exchange in the House, a committee of the House has travelled and almost overwhelmingly the response of the Canadian people has been what we anticipated it to be. That is an almost total rejection of the government's scheme. The extra funds that are being made available for all these wonderful social programs which I referred to a moment ago are going to come from the changes to the Unemployment Insurance Act, which is the substance of Bill C–21, and the saving in funds which the government is going to spend elsewhere comes from increased periods of time in which people are going to have to work in order to qualify for unemployment insurance.

• (1815)

I know I do not have a lot of time but I think it is helpful to talk about some of the people who are going to be most direly affected by these changes. When we talk about people who are going to have difficulty qualifying, we are talking about people on the margins of society, for the most part women. Certainly included in that or perhaps in addition to that are single parent mothers whose children are going to suffer enormously because of those longer qualifying periods. As a matter of fact, studies have shown that over 150,000 Canadians will be excluded altogether from these benefits.

I know my time is getting very, very short. I just cannot accept the minister's answers. These changes are brutal, a total distortion of unemployment insurance, and I guess the best way of describing it is that the government is using these changes as a social stock prod and it is inexcusable.

Mr. Bill Kempling (Parliamentary Secretary to Minister of Employment and Immigration): Madam Speaker, on behalf of the Minister of Employment and Immigration, I want to respond in greater detail to a question of June 15, 1989, by the Member for Saskatoon—Dundurn. The question dealt with changes we are making in the unemployment insurance program.

The hon. member wanted to know about the changes in the unemployment insurance program. The changes we are proposing in the UI program form part of a wider effort this government has taken to ensure that the Canadian labour force is ready for the challenges of the 1990s. These challenges include an increasingly competitive world and trading environment, a diminishing reliance on traditional industries, a rapid growth in the service sector and more sophisticated technology. These are formidable challenges.

If we are to meet these challenges and prosper in the increasingly competitive world environment, we must rely on the skills and resourcefulness of the Canadian people. Labour force development strategy represents a comprehensive approach at equipping Canadians workers with the skills necessary to prepare for these challenges. The government intends to stimulate the commitment of employers and workers to skill excellence through programs that promote and reinforce private sector training. This will strengthen the competitiveness of the Canadian industry.

We will be spending an additional $350 million on training under Section 26 of the Unemployment Insurance Act. This represents a doubling of the current allocation for training under the UI program, thereby giving 60,000 more UI claimants the skills necessary for re-employment.

In addition, we will be undertaking a major reorientation of the national employment service to offer additional help to the unemployed in finding jobs. We will be earmarking $100 million to assist the displaced workers who are experiencing difficulties in finding other jobs.

Self-employment and entrepreneurship programs in other countries have shown promise as elements in the active program strategies to encourage self-sufficiency. In light of this, the government is committing $50 million to allow unemployment insurance claimants with viable business plans to capitalize their UI benefits to partially defray business start-up cost.

We are revising the current program regime of sickness and maternity benefits. The changes we are making in this area represent a breakthrough for Canadian social policy. Our proposals for change will enhance the protection that is currently available by making the receipt of these benefits more flexible and by providing 10 weeks of parental benefits.

We are extending UI coverage to workers age 65 or over. This will substantially increase the income security available to these workers.

• (1820)

Last, Madam Speaker, we will amend the Unemployment Insurance Act to eliminate restrictions on access to benefits during labour disputes.

TRANSPORT-SUBSIDIES TO VIA RAIL/CUTS TO VIA RAIL/ENVIRONMENTAL BENEFITS OF RAIL TRANSIT

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, I am pleased to rise tonight as part of the adjournment debate to talk a bit more about VIA Rail.

I want to say at the outset that we have all been waiting for the other shoe to drop. We have had the leaks, we have had the first shoe, but now it would appear that the government is busy changing shoes. The parliamentary assistant is looking at me with a queried look on his face.

What they are doing is rewriting the report right at this minute. They are taking routes that the leaked document said were going to be cut and, lo and behold, they are being saved. On the other hand, they are taking routes and services that supposedly were saved in the leaked documents and now they are going to be cut. What a way to run, or should I say ruin, a railroad.

What does this action of rewriting reports at the last minute just to protect the political backside of the Minister of Transport say about this government's ability to make decisions? It should not matter if the contents of the documents leak out. If they have been thoughtfully done, if the analysis has been done, if the environmental assessment has been done, if everything has been checked and double checked, then they should not worry about having to rewrite the document.

They should be able to stand the tests. They should be able to withstand the test of the opposition. They should be able to withstand the test of the government backbenchers on the transport committee who will review whatever documents are produced, and they should be able to withstand the test of the people of Canada if they have been arrived at after the appropriate deliberation and analysis.

But I ask you, Madam Speaker, does this suggest that they are now writing an environmental assessment report so that the appropriate documents can be included with the package whenever it is released tomorrow or Thursday, or are they just rewriting the environmental assessment that they have done, if they have done one? There is no clear indication whatsoever that such a document has been produced or even considered.

This is not the way for any government to make decisions. This is not the way for a government to determine transportation policy for a country as diverse and as large as Canada. This is not the way to make decisions that have a profound impact on the environment, not just of this country but of this planet. This is certainly not the way to make decisions that will ultimately decimate the regions of this country; Atlantic Canada, northern Ontario, the prairies and British Columbia.

When Canadians learn the specifics, whatever the final result of this rewriting is, whether it is at 11 o'clock tomorrow morning outside the Conservative caucus room or in the press theatre—and I understand that Mr. Lawless and Mr. Hanigan are *en route* to Ottawa to help participate with the minister in telling Canadians the news—I hope that they do two things.

The first thing I hope they do is call their local Conservative member of Parliament and say very clearly that the transport committee of the House of Commons has wisely decided to hold hearings to review these documents and we think it is extremely important that some of those hearings be held out here where we live, away from Ottawa, so that we can tell you firsthand what we think of your decision so that hopefully we can influence that decision even though it will already be an order in council. Orders in council can be revoked.

The second thing—and this one depends a lot on the first as to how they respond to the request from the people of Canada to be heard—is that I hope they will tell the Conservative members of Parliament that if the VIA cuts are not cancelled, then at the next election the taxpayers will cut the Conservative from office.

• (1825)

Mr. Ross Belsher (Parliamentary Secretary to Minister of Transport): Madam Speaker, I listened attentively to what my hon. friend from across the way had to say about how decisions are made around here. He must be seeing government through a different set of eyes than those I see through from this side of the House.

I can only reiterate what has already been stated repeatedly, both in this House and elsewhere. Many people would have us believe that trains are the most efficient mode of transportation. Energy efficiency depends to a large extent on passenger levels.

In 1980, a study on the energy consumption concluded that buses, not trains, were the most energy efficient mode of transportation based on the energy consumed per passenger mile. Eighty-four per cent of all the intercity travel is by car, and nobody seems to be disputing that figure, 6 per cent is by bus and 3 per cent is by train.

Contrary to all the rhetoric which has been bandied about in recent months, VIA Rail's performance is worsening. It is not improving. My hon. friend is shaking his head no. Let us look at some of the NDP economics.

While 1988 revenues did increase by 13 per cent, on $26 million of revenue, operating costs increased by 15 per cent or $94 million with the result that the government subsidies to VIA for its operation alone had to be increased by $68 million for that year alone. This means that for every additional dollar earned by VIA in 1988, the government has had to disburse an additional $2.62.

We are asking all Canadians to pay this subsidy but only 3 per cent of the travelling public uses this mode of transportation. Continued subsidization of a mode of transportation which costs more and more and quite frankly is not used to the same degree as it was, say, 10 years ago, is not a sound investment in our future, particularly when that investment is being made with the Canadian taxpayers' money. That is why the government announced a new policy approach for VIA and asked the corporation to prepare a new business plan which would reflect its new reference levels.

VIA Rail's corporate plan is currently under consideration. An announcement will be made in due course. We anticipate it will be made within the next few days. The government expects the financial and operational performance of VIA Rail to improve and to function in a more cost effective manner. When money is scarce, it is spent where it is most needed and where it is most likely to produce results.

A cost effective transportation system is essential if Canada is to preserve and to enhance its position in world trade. In order to meet the challenge, we must make the best use of each mode of transportation and a wise use of the Canadian taxpayers' money.

[*Translation*]

The Acting Speaker (Mrs. Champagne): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

The House adjourned at 6.28 p.m.